



**SAN RAFAEL CITY COUNCIL – TUESDAY, FEBRUARY 19, 2019**

**SPECIAL MEETING AT 6:30 P.M.  
CITY MANAGER’S CONFERENCE ROOM, CITY HALL  
1400 FIFTH AVENUE, SAN RAFAEL, CALIFORNIA**

**1. Fire Commission Interviews**

Interview Applicants and Consider Appointment to Fill One Four-Year Term to the End of February 2023 on the San Rafael Fire Commission Due to the Expiration of Term of Lawrence ‘Larry’ Luckham (CC)

*Recommended Action – Interview Applicants and Consider Appointment*

**REGULAR MEETING  
COUNCIL CHAMBERS, CITY HALL  
1400 FIFTH AVENUE, SAN RAFAEL, CALIFORNIA**

**AGENDA**

**OPEN SESSION – COUNCIL CHAMBERS, CITY HALL**

1. None.

**CLOSED SESSION – THIRD FLOOR CONFERENCE ROOM, CITY HALL**

2. Closed Session: - None.

**OPEN TIME FOR PUBLIC EXPRESSION – 7:00 PM**

The public is welcome to address the City Council at this time on matters not on the agenda that are within its jurisdiction. Please be advised that pursuant to Government Code Section 54954.2, the City Council is not permitted to discuss or take action on any matter not on the agenda unless it determines that an emergency exists, or that there is a need to take immediate action which arose following posting of the agenda. Comments may be no longer than two minutes and should be respectful to the community.

**CITY MANAGER’S REPORT:**

3. City Manager’s Report:

**CONSENT CALENDAR:**

The opportunity for public comment on consent calendar items will occur prior to the City Council’s vote on the Consent Calendar. The City Council may approve the entire consent calendar with one action. In the alternative, items on the Consent Calendar may be removed by any City Council or staff member, for separate discussion and vote.

4. Consent Calendar Items:

- a. **Approval of Minutes**  
 Approve Minutes of City Council / Successor Agency Regular and Special Meetings of Tuesday, January 22, 2019 (CC)  
*Recommended Action – Approve as submitted*
  
- b. **Conflict of Interest Code**  
 Resolution Repealing Resolution 14566, Re-Adopting the Fair Political Practices Commission Model Conflict of Interest Code as the City’s Conflict of Interest Code, and Adopting a Revised List of Designated Employee Positions and Disclosure Categories, to be Incorporated into the City’s Conflict of Interest Code (CC)  
*Recommended Action – Adopt Resolution*
  
- c. **Server Administration Support Services**  
 Resolution Authorizing the City Manager to Execute a Professional Services Agreement with INsite Networks, Inc. for Server Administration Support Services, in an Amount Not to Exceed \$160,000 (Digital)  
*Recommended Action – Adopt Resolution*
  
- d. **Canine Ares Retirement**  
 Resolution of Appreciation to Canine Ares, Retiring After 6 Years of Service (PD)  
*Recommended Action – Adopt Resolution*
  
- e. **Grand Avenue Pathway Connector Project**  
 Request for Approval of Project Changes to Address Unforeseen Conditions Discovered During Construction of the Grand Avenue Pathway Connector Project Requiring Additional Engineering Services and the Elevation of the Pedestrian Path (PW):
  - 1) Resolution Authorizing an Additional Contingency Amount of \$130,000 for the Grand Avenue Pathway Connector Project Using \$78,725 in Federal Funds and Authorizing the Use of \$48,275 in Traffic Mitigation Funds Toward this Project  
*Recommended Action – Adopt Resolution*
  
  - 2) Resolution Approving and Authorizing the City Manager to Execute a Fifth Amendment to the Agreement with Siegfried Engineering, Inc. for Additional Construction Support Services Associated with the Grand Avenue Pathway Connector Project, In the Amount of \$30,000, to be Funded by Traffic Mitigation Funds, for a Total Contract Not-to-Exceed Amount of \$378,737  
*Recommended Action – Adopt Resolution*

**SPECIAL PRESENTATION:**

- 5. Special Presentation:
  - a. Retirement Ceremony Celebrating the Retirement of Canine Ares (PD)
  
  - b. Presentation of Northgate Mall Pop-up Library Collaborative Project (Lib)

**OTHER AGENDA ITEMS:**

6. Other Agenda Items:

- a. **Detachment Request and Proposed Tax Sharing Agreement with Town of Ross for 400 Upper Toyon Drive**

Presentation of Proposed Tax Sharing Agreement with Town of Ross (CA)

*Recommended Action – Reject the tax share agreement and direct staff to inform Marin Local Agency Formation Commission (LAFCO) of Council decision*

- b. **Short-term Rentals**

Informational Report on Short-Term Rental Approaches, Regulations, Best Practices and Options (CD)

*Recommended Action – Accept report and provide direction to staff*

**COUNCILMEMBER REPORTS / REQUESTS FOR FUTURE AGENDA ITEMS:**  
**(including AB 1234 Reports on Meetings and Conferences Attended at City Expense)**

7. Councilmember Reports:

**SAN RAFAEL SUCCESSOR AGENCY:**

- 1. Consent Calendar: None.

**ADJOURNMENT:**

*Any records relating to an agenda item, received by a majority or more of the Council less than 72 hours before the meeting, shall be available for inspection in the City Clerk's Office, Room 209, 1400 Fifth Avenue, and placed with other agenda-related materials on the table in front of the Council Chamber prior to the meeting. Sign Language interpreters and assistive listening devices may be requested by calling (415) 485-3198 (TDD) or (415) 485-3066 (voice) at least 72 hours in advance. Copies of documents are available in accessible formats upon request. Public transportation is available through Golden Gate Transit, Line 22 or 23. Paratransit is available by calling Whistlestop. Wheels at (415) 454-0964. To allow individuals with environmental illness or multiple chemical sensitivity to attend the meeting/hearing, individuals are requested to refrain from wearing scented products.*



**SAN RAFAEL CITY COUNCIL STAFF REPORT**

**Department: City Clerk**

**Prepared by: Lindsay Lara, City Clerk**

**City Manager Approval:** 

**TOPIC: FIRE COMMISSION INTERVIEWS**

**SUBJECT: INTERVIEW APPLICANTS AND CONSIDER APPOINTMENT TO FILL ONE FOUR-YEAR TERM TO THE END OF FEBRUARY 2023 ON THE SAN RAFAEL FIRE COMMISSION DUE TO THE EXPIRATION OF TERM OF LAWRENCE 'LARRY' LUCKHAM**

**RECOMMENDATION:**

Interview the following applicants and appoint one applicant to the Fire Commission to fill one four-year term with a term to expire the end of February 2023.

Name
Kingston Cole
Elias Hill
Lawrence 'Larry' Luckham

**BACKGROUND:**

At the meeting of December 17, 2018, the City Council called for applications to fill one four-year term to the end of February 2023 due to the expiration of term Lawrence 'Larry' Luckham. Ten (10) applications were received in the City Clerk's Office by the deadline of Tuesday, January 8, 2019; however, staff determined that three of the applicants were not residents of the City of San Rafael, and therefore, ineligible to apply.

Due to the high volume of applications received, a subcommittee of the City Council carried out an initial review of the seven applications and selected three to be interviewed by the full City Council.

**COMMUNITY OUTREACH:**

The call for applications for Fire Commission was advertised in Snapshot (the City Manager's e-newsletter), the City website, Nextdoor and Facebook social media platforms.

**FISCAL IMPACT:**

There is no fiscal impact associated with this item.

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**FOR CITY CLERK ONLY**

**Council Meeting:**

**Disposition:**



**RECOMMENDED ACTION:**

Interview applicants and make appointments.

**ATTACHMENTS**

1. Three (3) applications
2. San Rafael Charter re: Fire Commission

CITY OF SAN RAFAEL  
APPLICATION TO SERVE AS MEMBER OF  
FIRE COMMISSION

(Limited to Two Consecutive Four-Year Terms)

NAME: Kingston Cole

STREET ADDRESS: [REDACTED]

CITY/STATE/ZIP CODE: San Rafael 94901

RESIDENT OF THE CITY OF SAN RAFAEL FOR 24 YEARS

PRESENT POSITION: Telecommunications consultant

NAME OF FIRM: Kingston Cole & Associates

BUSINESS ADDRESS: [REDACTED]

\*HOME & BUSINESS PHONE: [REDACTED]

\*E-MAIL ADDRESS: [REDACTED]

EDUCATION: BSFS, School of Foreign Service, Georgetown Univ.  
JD, Creighton Univ, School of Law

PARTICIPATION IN THE FOLLOWING CIVIC ACTIVITIES: Post member of Homestead  
Volley Samity Dist / Post member of San Rafael Hill  
Neighborhood Association / Post Trustee, Nat'l. Maritime Ass'n.

MEMBER OF FOLLOWING CIVIC ORGANIZATIONS: None at this time

MY REASONS FOR WANTING TO SERVE ARE: I live on San Rafael Hill. After  
the last (of 4 in 20 years) fire in June, I drafted an  
Action Plan (attached) for the Hill. The Fire Chief suggested I apply for the Commission

DESCRIBE POSSIBLE AREAS OF CONFLICT OF INTEREST: None that I can think  
of.

DATE: 8/24/18

SIGNATURE: Kingston Cole

Mail or Deliver to: City of San Rafael, Dept. of City Clerk  
City Hall, 1400 Fifth Avenue, Room 209  
P.O. Box 151560, San Rafael, CA 94915

\* This information will be kept confidential, to the extent permitted by law

Kingston Cole

Home:

## MEMORANDUM/ACTION PLAN

**TO:** Deputy Chief Robert Sinnott  
**FROM:** Kingston Cole  
**RE:** Long-Term Plan to Preserve San Rafael Hill  
**DATE:** July 18, 2018

### **A. Purpose**

To develop a long-term plan that will prevent future fires and potential mud slides on San Rafael Hill. Comprehensive renewal of devastated areas coupled with ongoing preventive maintenance will:

- Preserve, protect and defend the vital downtowns and neighborhoods below the Hill; and,
- Serve as a model for other state-wide restoration efforts

### **B. Statement of the Problem**

San Rafael Hill suffered another major fire on June 9, 2018. This was the fourth major fire on the Hill in the last 20 years; several smaller fires were extinguished as well during the same time frame. As the result of these repeated conflagrations and other natural-occurring vegetation problems, e.g., sudden oak death syndrome, San Rafael Hill has become more than an eyesore: It is an ongoing, major disaster area. Without a clear-cut action plan to rehabilitate the Hill, either a mud slide or another future fire may devastate neighborhoods and downtown San Rafael.

### **C. Background**

The southern slope was the ignition point for this fire—and several more that have occurred on the Hill. Three of the last four were, per police reports, probably caused by homeless encampments above Boyd Park and the Elks Club. Several smaller fires in the same area during the past years were extinguished before they could spread up the Hill.

The June 9<sup>th</sup> fire, as described in my “Marin Voice” editorial in the Marin IJ (Attachment 1) crested the Hill and was within striking distance of the MERA tower. It was stopped within 200 feet (downhill) of homes on Graceland. The swath of destroyed vegetation and charred remains below this apex stretches from that Boyd Park/Elks Club property lines to a point approximately above the Lincoln Hill Community Church on Lincoln Avenue.

The fire danger for the next few years is probably negligible. The lack of viable vegetation, however, may be a major threat to neighborhoods and downtown San Rafael, if a major climate event such as another El Nino causes flooding and mud slides.

## **D. Discussion**

### **1. Fire Potential:**

Realistically, the next five years should see no problems on fire-prone the south slope. This latest fire destroyed massive amounts of vegetation, including highly combustible broom and nettles that will not return on a major scale for at least that period. Charred trees and other large debris, however, remain.

That is not to say that fire danger has been completely removed. As noted in a June 13<sup>th</sup> New York Times article (Attachment 2), fires now are running fast downhill as well as uphill—a distinct change from conventional firefighting thinking. Quoting Cal Fire’s Chief (Chris Anthony), “What we thought was normal and average isn’t anymore... We have to change our way of thinking.” Several unscathed but vulnerable areas of San Rafael remain—and bear constant monitoring.

### **2. Mud Slides:**

The denuded south slope area, however, now provides no vegetation to protect lower areas from potential mud slides. Major fires throughout the State have dramatically reduced vegetation and created the same potential for mud slides in Santa Rosa, Montecito and other areas of California.

While California has been a period of drought for the last 20 years, we have had two major El Ninos; in 1996-1998 and 2014-2016. Each resulted in flooding and mud slides throughout the State. The last one almost toppled the Oroville Dam. Attachment 3 is another New York Times article that describes current thinking about climate change and its effects on extreme weather events, e.g., flooding and mud slides.

I believe a major mud slide occurring on San Rafael Hill would have disastrous repercussions for downtown San Rafael and adjoining neighborhoods. I understand the possibility of such an event has not been contemplated by the City—much less evaluated. A risk assessment, developed by geological specialists, is therefore our first recommendation. It is also the first proposed step in the a three-stage action plan to restore and replenish San Rafael Hill.

## **Action Plan**

### **Stage 1: Assessment and Debris Removal (2018-2019)**

As noted above, San Rafael City Council should recognize and provide funding for a risk assessment for potential damage caused by mud slides that may occur in the near-term future. Given the approach of winter and within the necessary time constraints of a competitive bid process, this action should be expedited in all ways possible. A qualified

geological survey company can provide the City with not only critical answers, but with a path forward and projected costs.

As another initial effort, the City should remove as much loose debris, e.g., down trees, as possible to mitigate potential winter mud slides. Budget restrictions may limit this activity, but a good faith effort should be made regarding this critical task. Doing nothing is not an option.

The Fire Department should also conduct an outreach program during this period. I know the Federation of Neighborhoods will be interested in this effort. City Council members should be invited to go up the Hill and view the devastation—both current and potential. The Marin IJ is already interested in the topic, based on my discussions with its Opinion editor, Bob Sterling. Dick Spotswood should be approached at the appropriate time by Council members, Fire Department personnel, etc. This is a perennial topic for him; if not his major crusade. We have known each other for 40 years, so I will be glad to assist with the approach.

Stage 1 should be conducted, if possible, within a one-year period. It is the bare minimum necessary for the City to obtain crucial information and determine a path forward.

## **Stage 2: Reclamation and Rehabilitation (2019-2024)**

San Rafael Hill is now a major scar on the beauty of San Rafael. Mudslide dangers or not, the Hill must be reclaimed and rehabilitated. As Santa Rosa required Fountaingrove homeowners to remove debris and minimally rehabilitate their properties, we as citizens must ask the same of our City Council.

The goals for this stage are three-fold:

- To ensure that future fires, particularly on the southern slope, will never occur again.
- To design, engineer and construct any structures necessary to prevent mudslides on the Hill that will damage properties downhill.
- To restore and rehabilitate the vegetation and Hillside environment in a manner consistent with climate change prerequisites
  - Aesthetics must also be considered a major criterion of this goal

Funding for such a project will be problematic. The presumption must be that the City has no funding for San Rafael Hill other than a moderate clean up.

Cal Fires would be a logical starting point for a grant or loan request from the City. The potential (or imminent in an El Nino year) threat of mud slides would certainly make any such proposal much more persuasive. An approach for seed funding could also be made to the Marin Community Foundation or a more environmentally-friendly non-governmental organization.

In all prospective funding efforts, I recommend that the City emphasize the unique quality of this effort: To redevelop a major piece of urban/suburban landscape in a forward-thinking, climate-change acknowledged manner. The result will be a model that can be emulated by other cities—and touted by San Rafael.

I defer to the grant writing expertise of the Fire Department and other City departments. I recommend that the City continue its outreach programs in conjunction with this grant writing/fund raising phase.

Achieving all three goals should take approximately five years.

**Stage 3: Ongoing Care and Preventive Maintenance (2014 and Beyond)**

When the restoration of the Hill is complete, the City must commit to maintaining it. That means that fire trails and roads must be maintained. If mudslide barriers are installed, they must also be maintained. Environmentally-appropriate vegetation must be sustained—and invasive species must be rooted or burned out with regularity. Additional public accommodations, including benches and play areas, may be added to make the Hill more available and entertaining for the public.

**Additional Thoughts:**

Better coordination between Police and Fire Departments to deal with the homeless conundrum must be part of this process and action plan from the beginning. No one has a solution—but we all must try a great deal harder.

With the advent of district elections, San Rafael Hill will become an even more vital and urgent issue for one City Council member. I expect that he or she will want to own this—and become our most important advocate.

That being said, the time to begin this process is now. I hope this memorandum/action plan provides a cogent starting point.

Sincerely,

Kingston Cole  
Attachments

# Marin Voice: City must try harder to prevent San Rafael Hill fires

*By Kingston Cole*

POSTED: 06/25/18, 10:25 AM PDT UPDATED: 3 WEEKS AGO  
[8 COMMENTS](#)

On the afternoon of June 9, a fire swept up San Rafael Hill. It crested, came within 100 feet of the Marin emergency radio tower and almost dropped down to 100 homes on Graceland Drive — 150 feet below.

The Independent Journal published an anodyne editorial June 17 telling San Rafael Hill residents to be prepared, clear brush and down limbs around our homes, etc. The only problem with this advice is that the worst, most negligent neighbor on the Hill is the city.

## ADVERTISING

I've been hiking San Rafael Hill four to five days a week for 20-plus years. We've had four major fires in the past 20 years; another cresting in 2000. According to the San Rafael Fire Department's vegetation management unit, several smaller fires (under an acre) also occur on a regular basis.

The cause of all these fires save one (two drunken students for that one) has been homeless encampments behind Boyd Park and the Elks Club.

I've watched the progressive degradation of the Hill after every fire. Like clockwork, the broom and nettles return with a vengeance, trees die and are never removed. The city has put a few goats on the Hill and recently did a small controlled burn. But there simply is no ongoing maintenance and care of San Rafael Hill — as you would expect and demand of any good neighbor.

There is a saying that firefighters are good at putting out fires; not so good at preventing them. I believe ours have done their very best with our fires. But this is more than just the standard fire prevention issue. It's also a continuing public safety issue that requires more police coordination with the fire department.

It's also, most importantly, a public policy issue: What can we do better about the continuing problem of the homeless encampments that spring up like mushrooms throughout the city? Like San Francisco, it seems the more we spend on the homeless problem, the worse it becomes.

Vegetation management officials defend their approach: putting out the fires as they occur, deploying their fire prevention techniques (goats, controlled burns), dismantling homeless shelter encampments and disposing of massive amounts of accumulated garbage and debris. The police department follows up on the dismantling of the encampments. All of this is done on a non-specific-area, city-wide basis.

These tactics have barely prevented the multiple fires that have repeatedly threatened hundreds of our homes over a 20-year period.

Advertisement

San Rafael Hill should be Ground Zero for a much more focused and coordinated approach to firefighting in Marin County. At the very least, what we need is regular, preventive maintenance of the southern slope of San Rafael Hill. That effort must be supported by dedicated funding and follow-through. We also need better coordination between the police and fire departments.

Vegetation management officials said the latest fire was on private property (Elks Club) and essentially “not our department.” That property is right next to Boyd Park. The encampments are not hiding — they are in plain sight.

The IJ editorial was silent regarding these issues. My old neighborhood association has been, and still is afraid to discuss the issue because it involves the homeless. The City Council will do the same; continuing to insist they are doing their best with a city-wide approach.

Really? The wringing of hands and ensuing silence is deafening ... as we wait for the next conflagration. Absent a more surgical and meaningful approach, the city of San Rafael is our very worst neighbor. And, as pointed out on numerous occasions by Dick Spotswood, this is a lesson that should be learned by the entirety of Marin County.

*Kingston Cole, of San Rafael, is a founding member of the Lincoln San Rafael Hill Neighborhood Association and formerly served on the board.*



# California Today: Here's What's Been Different About Fires This Year

Image

A home is lost to fire in Goleta on Saturday. Credit Noah Berger/Associated Press

**By Thomas Fuller and Matt Stevens**

- July 13, 2018
- 

*Good morning.*

*(Want to get California Today by email? [Here's the sign-up.](#))*

The huge wildfires across California in recent weeks have underlined what fire experts describe as the new normal for the state. But firefighters say it's more than just the scale and the timing of the fires that is different.

Chris Anthony, a division chief at the California Department of Forestry and Fire Protection, says fire behavior appears to be changing on a more micro level. One example: In mountainous terrain, fires typically run much faster uphill as the fire heats the fuels above it, making them more readily combustible.

But Mr. Anthony says his firefighters are seeing more examples of fires running fast *downhill*, too.

Another example: Firefighters for decades were accustomed to seeing fires slow down considerably at night, said Scott L. Stephens, a professor of fire science at the University of California, Berkeley. But a number of recent fires have continued to advance rapidly through the night.

“Many times now in the evening fires are burning at night almost as active as they are in the day,” Professor Stephens said. “Things are happening here in California that 10 years ago I never heard about.”

Craig Clements, a meteorologist at San Jose State University who specializes in the behavior of wildfires, says experts are still trying to quantify and confirm changes in fire behavior.

It's certain that California is seeing much larger fires, he said, and much of that is connected to drier conditions. One of his students has investigated what are known as nocturnal drying events — when very dry air coming off the Pacific Ocean leaves higher altitudes desiccated.

“It's most cool and foggy down in the Bay,” he said of the San Francisco Bay. “You have a sea breeze coming in. But above the sea breeze some of the driest air in North America is coming in. Up in the hills it's super dry.”

Changes in fire behavior have consequences both for firefighters and for people who live near open spaces, said Mr. Anthony, the Cal Fire division chief.

“What we thought was normal or average isn't normal anymore,” he said. “We have to change our thinking.”

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## Profile

Question applies to Fire Commission

### Fire Commission Filing Deadlines:

The deadline for filing applications is Tuesday, **January 8, 2019, at 5:00 p.m.** in the City Clerk's Office.

Elias \_\_\_\_\_ D \_\_\_\_\_ Hill \_\_\_\_\_  
First Name Middle Initial Last Name

### Which Boards would you like to apply for?

Fire Commission: Submitted

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Suite or Apt

San Rafael \_\_\_\_\_ CA \_\_\_\_\_ 94901  
City State Postal Code

### Are you a resident of San Rafael

Yes  No

### Less than 1 year

Resident of the City of San Rafael for how many years?

Home: \_\_\_\_\_ Home: \_\_\_\_\_  
Primary Phone Alternate Phone

Slalom LLC \_\_\_\_\_ Client Service Partner \_\_\_\_\_  
Employer Job Title

### Business Address

100 Pine Street, 25th Floor San Francisco, CA 94111

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## Interests & Experiences

### Do you participate in any civic activities?

Professionally, I work with federal, state, and local departments/agencies to better serve constituents through operational and technological improvements. Most recently, I engaged in a pro bono capacity with the San Francisco Department of Police Accountability to provide an end-to-end analysis of operations and initiative prioritization, including execution of "quick hits" initiatives and key results measurements.

**List any civic organizations of which you are a member:**

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I am not currently active in any civic organizations. In the past: Boy Scouts of America, Volunteer Golden Gate Breakfast Club, Member

**Education:**

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BS Nuclear Engineering, UC Berkeley

**Why are you interested in serving on a board or commission?**

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I believe in the San Rafael Fire Department's mission to deliver exceptional public service and to provide the best public fire services available. In the capacity of a commissioner, I would bring experience with building strategic roadmaps, including initiative prioritization and technology services. As recent years have seen a marked increase in impacts of wildfire, I believe one area of focus is to expand our response and preparation capabilities through internal initiatives and relationships with other departments, Cal Fire, and utilities. Ultimately, all efforts must align to the mission and yield measurable value. I also bring a strong background in public speaking, providing critical analysis, and asking/answering tough questions, each of which I believe are minimal requirements for this position. I understand the gravity of the critical services that the San Rafael Fire Department brings to the community. If selected to serve as a commissioner, I would work to ensure that our community is provided the very best service and that our fire department has the support they need now and in the future. Thank you for your consideration, Eli

**Describe possible areas in which you may have a conflict of interest with the City:**

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Professionally, I am engaged with public sector customers throughout California and the federal government; none currently exist in Marin County. My father serves as a director for Golden Gate Bridge, Highway and Transportation District. If any conflicts arise, I would follow ethics guidelines and, if appropriate, recuse myself from proceedings.

[Eli\\_Hill\\_Resume.pdf](#)

Upload a Resume

# Eli Hill

## Public Sector Consulting Leader

### QUALIFICATIONS SUMMARY

- Focus and achievement in organizational and technology transformation for the public sector
- Community-recognized leader with 18+ years of experience in managing organizational and technological design and implementation
- Broad and deep experience managing strategic roadmaps for organizations with emphasis on technology

FUNCTIONAL CAPABILITIES	CUSTOMER SUMMARY	INDUSTRY BACKGROUND
<ul style="list-style-type: none"> <li>• Enterprise advisory</li> <li>• Strategic planning</li> <li>• Solution architecture</li> <li>• Practice and people management</li> <li>• Relationship management</li> <li>• Vendor selection and management</li> <li>• Technology portfolio management</li> <li>• Cybersecurity technology</li> <li>• Collaboration technology</li> <li>• Business case/requirements development</li> <li>• Systems Design and Deployment</li> <li>• Strong written and verbal communications</li> </ul>	<ul style="list-style-type: none"> <li>• US Central Command</li> <li>• US Marine Corps</li> <li>• US Defense Finance and Accounting Services</li> <li>• US Military Health System</li> <li>• US Department of Veterans Affairs</li> <li>• US Department of Justice</li> <li>• US Department of Energy</li> <li>• US Centers for Disease Control</li> <li>• State of California</li> <li>• State of Georgia</li> <li>• State of Tennessee</li> <li>• Pacific Gas and Electric</li> <li>• SCIF</li> <li>• Los Angeles County</li> <li>• Amgen</li> <li>• Tribune Company</li> <li>• Fox Interactive Media / MySpace</li> <li>• Black Rock</li> <li>• The Sharper Image</li> <li>• Raider Image</li> <li>• Unified Grocers</li> </ul>	<ul style="list-style-type: none"> <li>• Public Sector</li> <li>• Utilities</li> <li>• Retail</li> <li>• Healthcare</li> <li>• Financial Services</li> <li>• Private Equity</li> <li>• Healthcare</li> <li>• Media</li> </ul>

### PROFESSIONAL EXPERIENCE

**Client Service Partner – Slalom, Energy/Utility Sector – San Francisco, CA** **2014 – Present**

- Manage strategic delivery of solutions for public sector and utilities

#### PREVIOUS WORK HISTORY:

<b>Practice Lead – Slalom, Technology Enablement – San Francisco, CA</b>	<b>2011 – 2014</b>
<b>Solutions Architect – Quest Software, Public Sector PSO – Rockville, MD</b>	<b>2009 – 2011</b>
<b>Solutions Architect – Janalent – Las Vegas, NV</b>	<b>2007 – 2009</b>
<b>Senior Consultant – CorpInfo – Los Angeles, CA</b>	<b>2005 – 2007</b>
<b>Senior Consultant – Corevera – San Francisco, CA</b>	<b>2004 – 2004</b>
<b>Senior Network Engineer – Micromenders – San Francisco, CA</b>	<b>1999 – 2004</b>

## WORK HISTORY

### **Client Partner – Slalom Consulting, Energy/Utility Sector** **2013 – Present**

- Client Delivery: Manage and deliver solution architecture services for strategic projects across Cybersecurity, Enterprise IT, NERC CIP, Customer Care, Electric Operations, CRESS
- Business Development / Relationship Management: Cultivate big ideas, mature client relationships, manage consultants and people managers, coach/mentor consultants
- Engagement Management: Oversee engagement health, held accountable to outcomes
- Consultant Enablement: Develop leadership, maintain regular touchpoints with people managers, monthly account-wide meetings
- Operations: Maintain/improve account metrics, reconcile time/billing, negotiation with procurement
- Strategy: Manage strategic planning, build account leadership team, manage succession

### **Practice Lead – Slalom Consulting, Technology Enablement** **2011 – 2013**

- Responsible for managing technology enablement practice:
- Achieve quarterly/annual sales, revenue, and margin targets
- Develop and deliver technology solution offerings
- Manage project engagements
- Develop and manage consultants in the practice

### **Solutions Architect – Quest Software, Public Sector PSO** **2009 – 2011**

- Solutions architect for federal and defense customers
- Develop .NET utilities to accommodate non-standard scenarios as well as custom toolsets for professional services practice
- Escalation point for professional services architects

### **Solutions Architect – Janalent – Las Vegas, NV** **2007 – 2009**

- Lead Architect for collaboration platform design and migration projects.
- Responsible for delivering sound technology architecture, implementation plans for complex client consulting engagements.
- Solutions architect for inter-forest, inter-org directory and messaging migration project for Amgen consolidation and acquisition of Abgenix.
- Solutions Architect for inter-forest, inter-org directory, messaging, SharePoint, Team Foundation Server migration project for Fox Interactive Media's acquisition of MySpace to integrate acquired business units.
- Architect for inter-org messaging migration for the State of California to provide shared services to state agencies; 50,000 users

### **Senior Consultant – Corplnfo Services – Los Angeles, CA** **2005 – 2007**

- Project manager and principal architect for customers in public sector, retail, and media.
- Technical Lead for directory and messaging consolidation project for Tribune Company.
- Provided internal technical escalation point, sales engineering and strategic business development.

### **Senior Consultant – Corevera – San Francisco, CA** **2004**

- Founded information technology services practice with three partners and two fulltime employees.
- Managed datacenter migrations for Wild Planet Toys and MedAmerica. Services included ISP migration, WAN migration, cable vendor management, server room power/structural/AC analysis, and technical project management.
- Provided senior network engineering service to The Sharper Image, including project management and execution of network core expansion, upgrading VPN infrastructure, and providing 24/7 network escalation support.

### **Senior Network Engineer – Micromenders – San Francisco, CA** **1999 – 2003**

- Principal network engineer among 50+ delivery resources.

- Developed and implemented network operations center for managed services provider (MSP) offering.
- Developed and delivered technology seminars for engineering and sales teams.
- Managed technology migration practice, including ISP management, circuit migration, data center management, and project management.
- Delivered network design consultation and support for enterprise client with 30-site WAN infrastructure supporting 4000+ users, including ATM circuit integration, routing metric optimization, network monitoring implementation, and BGP peering
- Developed and delivered network security audit offering including penetration testing, network and systems configuration review, and final deliverable providing findings and recommendations.

## **EDUCATION**

BS, Nuclear Engineering – University of California, Berkeley - 1999

## **CERTIFICATIONS AND AFFILIATIONS**

CCIE #7048 – March 2001 Routing and Switching Emeritus (15+ years)  
MCTS 2008, MCSE 2003/2000/4.0  
CompTIA Security+

CITY OF SAN RAFAEL

APPLICATION TO SERVE AS MEMBER OF

FIRE COMMISSION

NAME: Lawrence "Larry" Luckham

STREET ADDRESS: [REDACTED]

CITY/STATE/ZIP CODE: San Rafael, CA 94901

RESIDENT OF THE CITY OF SAN RAFAEL FOR 30 YEARS

PRESENT POSITION: President

NAME OF FIRM: The Luckham Company

BUSINESS ADDRESS: [REDACTED]

\*HOME & BUSINESS PHONE: [REDACTED]

\*E-MAIL ADDRESS: [REDACTED]

EDUCATION: Some college, no degree. Qualified Fire, Arson and Explosion investigator, see attached CV.

PARTICIPATION IN THE FOLLOWING CIVIC ACTIVITIES: Current Vice Chair, San Rafael Fire Commission, Member Measure E Oversight Committee, former member both Critical Facilities Committees, Member, Facilities Working Group, Member MERA oversight committee.

MEMBER OF FOLLOWING CIVIC ORGANIZATIONS:

MY REASONS FOR WANTING TO SERVE ARE: I've appreciated the opportunity to serve on the Fire Commission for the past 4 years, and the opportunity to support the department. I would like to continue that experience.

DATE: 12/13/2018

SIGNATURE:

**Filing Deadline:**  
Date: Tues., March 15, 2011  
Time: 5:00 p.m.

**Mail or Deliver to:** City of San Rafael, Dept. of City Clerk  
City Hall, 1400 Fifth Avenue, Room 209  
P.O. Box 151560, San Rafael, CA 94915

\* This information will be kept confidential, to the extent permitted by law



## Fire Investigation & Related Training -

Fire Investigation 1A*	California State Fire Marshal
Fire Investigation 1B*	California State Fire Marshal
Fire Investigation 2A*	California State Fire Marshal
Fire Investigation 2B*	California State Fire Marshal
PC 832 Arrest, Search & Seizure* (POST)	Sacramento Regional Public Safety Training Cntr.
S-190 Basic Concepts of Wildland Fire*	National Wildfire Coordinating Group
S-130 Wildland Firefighter Training*	National Wildfire Coordinating Group - FEMA
FI-210 Wildland Fire Origin & Cause Determination*	National Wildfire Coordinating Group - CALFire
Forensic Vehicle Fire Investigation*	San Luis Obispo Fire Investigation Strike Team
Marine Fire Investigation	California Conference of Arson Investigators
Basic Electricity*	International Association of Arson Investigators
Electrical Safety*	International Association of Arson Investigators
Residential Electrical Systems*	International Association of Arson Investigators
Basic Electrical Fire Investigation*	Bureau of Alcohol, Tobacco, Firearms & Explosives
Advanced Electrical Fire Investigation*	Bureau of Alcohol, Tobacco, Firearms & Explosives
Arc Mapping Basics*	International Association of Arson Investigators
Crime Scene & Forensic Photography (POST)	Sacramento Regional Public Safety Training Cntr.
Report Writing	California Conference of Arson Investigators
Crime Scene Diagramming	California Conference of Arson Investigators
Crime Scene Photography	California Conference of Arson Investigators
Crime Scene Investigation at Fire Scenes	California Conference of Arson Investigators
Interview & Interrogation	South Bay Regional Public Safety Training
Writing the Initial Origin & Cause Report	International Association of Arson Investigators
Social Media for Investigators	California Conference of Arson Investigators
Serial Arson Investigators Seminar	Los Angelis HIDTA
Baltimore Tunnel Fire Case Study	Texas A & M Engineering Extension Service
NFPA 1033*	International Association of Arson Investigators
Staying Compliant with NFPA 1033 Education Req.*	California Conference of Arson Investigators
Arson Investigation Update	K-9 Accelerant Detection Teams

\* Tested training

(POST) Police Officers Standards & Training course

## Professional Organization Membership

International Association of Arson Investigators

California Conference of Arson Investigators

## Publications

San Rafael Fire Department – Photo 50 Project (<http://www.SRPhoto50.com>)

Advanced Explosives Recognition – (<http://www.AdvExpRec.com>)

TREX-2013 (<http://www.TREX-2013.com>)

TREX-2014 (<http://www.TREX-2014.com>)

TREX-2015 (<http://www.TREX-2015.com>)

**State Licenses** General Building Contractor, # 314446. 1976-present

## **SAN RAFAEL CHARTER**

### **ARTICLE VIII Executive and Administrative Departments, Section 10. FIRE COMMISSION.**

There shall be a board of fire commissioners appointed by the council, the exact number of which shall be set by ordinance or resolution of the council, one of whom may be a councilman. The chief of the fire department shall be an ex officio member of the commission but shall not be entitled to vote as a member of the commission. The members of the commission shall serve for a term of four years and shall be subject to removal by the affirmative vote of three members of the council. The terms of office of members of the commission shall be staggered in the manner provided by resolution of the council. The board of fire commissioners shall exercise such powers and perform such duties as may be prescribed or conferred in this charter or by the ordinances of the city. (Assembly Concurrent Resolution No. 121, August 20, 1973; Senate Concurrent Resolution No. 46, May 31, 1967.)

#### **2.16.010 Board of Fire Commissioners.\***

A board of fire commissioners is created. (Ord. 889 § 2, 1967; Ord. 825 § 1, 1965; Ord. 422).

\* Fire Commission--See San Rafael Charter, Art. VIII § 10.

#### **2.16.011 Board membership--Compensation.**

The board of fire commissioners shall consist of five members appointed by the city council, one of whom may be a councilman. The chief of the fire department shall be an ex officio member of the commission, but shall not be entitled to vote as a member of the commission. All members of the commission shall serve without compensation. (Ord. 889 § 3 (part), 1967).

#### **2.16.012 Board term of office and removal.**

The members of the board of fire commissioners shall serve for a term of four years and shall be subject to removal by the affirmative vote of three members of the council. The terms of office of members of the commission shall be staggered in the manner provided by resolution of the city council.

(Ord. 889 § 3 (part), 1967).

#### **2.16.013 Board powers and duties.**

Subject to the direction and control of the city council, as provided in Section 2.04.030 of this code, the powers and duties of the board of fire commissioners shall be:

To review and recommend concerning the future needs of the fire department in respect to long-range capital needs, including buildings, training facilities, and water mains and hydrant replacements;

To review the relationship of the fire department with other governmental agencies and private entities concerning topics which the commission feels present a true and pressing need for the city's fire service, i.e., mutual aid and the fire rating system of the Independent Insurance Office;

To review, comment and make recommendations regarding the annual operating budget of the department;

To recommend to the fire chief and the city council action concerning initial adoption and future amendments to the fire prevention code, the building code, and other such ordinances which pertain to the prevention of fires within the community;

To receive monthly reports from the department head concerning the general operations and functions of the department;

To perform such other duties as may be prescribed by the city council.

(Ord. 1131 § 1, 1974; Ord. 889 § 3 (part), 1967).



**Regular Meeting  
San Rafael City Council**

**Minutes**

[How to Participate in Your City Council Meeting](#)

Present: Mayor Phillips  
Councilmember Bushey  
Councilmember Colin  
Councilmember Gamblin

Absent: Vice Mayor McCullough

Also Present: City Manager Jim Schutz  
City Attorney Robert Epstein  
City Clerk Lindsay Lara

**OPEN SESSION – COUNCIL CHAMBERS, CITY HALL**

1. None.

**CLOSED SESSION – THIRD FLOOR CONFERENCE ROOM, CITY HALL**

2. Closed Session: None.

**OPEN TIME FOR PUBLIC EXPRESSION 7:00 PM**

- Miguel Rodriguez addressed the City Council regarding an emergency moratorium on rent increases and evictions
- Simon Vansintjan addressed the City Council regarding an emergency moratorium on rent increases and evictions
- Ingrid Oronez addressed the City Council regarding an emergency moratorium on rent increases and evictions
- Mayor Phillips
- Mayor Phillips / City Attorney Robert Epstein
- Mayor Phillips / Councilmember Colin

**CITY MANAGER'S REPORT:**

3. City Manager's Report:

- City Manager Jim Schutz:
  - U.S. Census 2020;
    - Discussed possible impact of Census results on City of San Rafael districts for the November 2022 election;
    - Commented on action San Rafael will take in preparation of the Census: Mayor Phillips and Councilmember Colin to serve on the Complete Count Committee;
    - Announced Board of Supervisors consideration to accept a Census Office grant on February 5, 2019;
  - Announced the Homelessness Point-in-Time Count on Monday, January 28, 2019;

- Announced the Get-Ready Class, a 1 hour disaster preparation class on Saturday, February 2, 2019 at Terra Linda Community Center at 10am;

Mayor Phillips

**CONSENT CALENDAR:**

**4. Consent Calendar Items:**

Councilmember Bushey moved and Councilmember Colin seconded to approve Consent Calendar Items:

- a. **Approval of Minutes**  
Approve Minutes of City Council / Successor Agency Regular Meetings of December 3, 2018 and December 17, 2018 and Special City Council Meeting of December 17, 2018 (CC)  
[Regular Meeting Minutes 2018-12-03](#)  
[Regular Meeting Minutes 2018-12-17](#)  
[Special Meeting Minutes 2018-12-17](#)  
  
Approved as submitted
- b. **Bicycle and Pedestrian Advisory Committee Youth Member Reappointment**  
Reappoint Youth Member Shoshana Harlem to the San Rafael Bicycle and Pedestrian Advisory Committee for a Two-Year Term to Expire at the End of December 2020 (CC)  
[BPAC Youth Member Reappointment](#)  
  
Approved staff recommendation
- c. **Design Review Board Vacancy**  
Call for Applications to Fill One Unexpired Four-Year Term on the San Rafael Design Review Board to the End of June 2020, Due to Retirement of Term of Robert 'Bob' Huntsberry (CC)  
[Design Review Board Vacancy](#)  
  
Approved staff recommendation
- d. **Legislative Advocacy Services**  
Resolution Authorizing the City Manager to Execute an Agreement with Emanuels Jones & Associates for Legislative Advocacy Services, for a Period Beginning January 1, 2019 and Ending December 31, 2020, in an Amount Not-to-Exceed \$83,650 (CM)  
[Legislative Advocacy Services](#)  
  
RESOLUTION 14621 – RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH EMANUELS JONES & ASSOCIATES FOR LEGISLATIVE ADVOCACY SERVICES, FOR A PERIOD BEGINNING JANUARY 1, 2019 AND ENDING DECEMBER 31, 2020, IN AN AMOUNT NOT-TO-EXCEED \$83,650
- e. **Affordable Housing Agreement - 1200 Irwin Street Project**  
Twelve-Month Review of Below Market Rate (BMR) Agreement Addressing Rent/Lease Options for the Mission/Irwin Carriage Houses Residential Development at 1200 Irwin Street; APN 014-013-05 (CD)  
[Affordable Housing - 1200 Irwin Street Project](#)  
  
Accepted report

- f. **City Quarterly Investment Report**  
Accept the City of San Rafael Quarterly Investment Report for the Quarter Ending December 31, 2018 (Fin)  
[City Quarterly Investment Report](#)

Accepted report

- g. **FY 2018-19 Fleet Vehicle Purchases: Two Fire Engines**  
**Resolution Authorizing the City Manager to Purchase One Type 1 and One Type 6 Engine for the Fire Department for a Not-to-Exceed Amount of \$900,000 (PW)**  
[FY 2018-19 Fleet Vehicle Purchases](#)

RESOLUTION 14622 – RESOLUTION AUTHORIZING THE CITY MANAGER TO PURCHASE ONE TYPE 1 AND ONE TYPE 6 ENGINE FOR THE FIRE DEPARTMENT FOR A NOT-TO-EXCEED AMOUNT OF \$900,000

- h. **Essential Facilities Consultants Contract Amendments**

- 1) **Resolution Authorizing the City Manager to Allocate Design Contingencies Previously Approved in the Essential Facilities Strategic Plan Budget to Amend the Professional Services Agreements with Mary McGrath Architects for Additional Services Related to Phase 1 Essential Facilities Projects (Fire Station 52 and the Fire Station 57) As Necessary for Additional Services in An Amount Not to Exceed \$60,324 (PW)**
- 2) **Resolution Authorizing the City Manager to Allocate Design Contingencies Previously Approved in the Essential Facilities Strategic Plan Budget to Amend the Professional Services Agreements with Kitchell CEM Inc. for Additional Services Related to Phase 1 Essential Facilities Projects (Fire Station 52 and the Fire Station 57) As Necessary for Additional Services in An Amount Not to Exceed \$49,980 (PW)**

[Essential Facilities Consultants Contract Amendments](#)

RESOLUTION 14623 – RESOLUTION AUTHORIZING THE CITY MANAGER TO ALLOCATE DESIGN CONTINGENCIES PREVIOUSLY APPROVED IN THE ESSENTIAL FACILITIES STRATEGIC PLAN BUDGET TO AMEND THE PROFESSIONAL SERVICES AGREEMENTS WITH MARY MCGRATH ARCHITECTS FOR ADDITIONAL SERVICES RELATED TO PHASE 1 ESSENTIAL FACILITIES PROJECTS (FIRE STATION 52 AND THE FIRE STATION 57) AS NECESSARY FOR ADDITIONAL SERVICES IN AN AMOUNT NOT TO EXCEED \$60,324

RESOLUTION 14624 – RESOLUTION AUTHORIZING THE CITY MANAGER TO ALLOCATE DESIGN CONTINGENCIES PREVIOUSLY APPROVED IN THE ESSENTIAL FACILITIES STRATEGIC PLAN BUDGET TO AMEND THE PROFESSIONAL SERVICES AGREEMENTS WITH KITCHELL CEM INC. FOR ADDITIONAL SERVICES RELATED TO PHASE 1 ESSENTIAL FACILITIES PROJECTS (FIRE STATION 52 AND THE FIRE STATION 57) AS NECESSARY FOR ADDITIONAL SERVICES IN AN AMOUNT NOT TO EXCEED \$49,980

- i. **Engineering Services Associate with 2017 Storm Damage Repairs**  
**Resolution Approving and Authorizing the City Manager to Execute a First Amendment to the Agreement with Park Engineering for Engineering Support in Association with the 2017 Storm Damage Repairs, In the Amount of \$62,634.48, for a Total Contract Not-to-Exceed Amount of \$136,689.98 (PW)**  
[2017 Storm Damage Engineering Services](#)

RESOLUTION 14625 – RESOLUTION APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH PARK ENGINEERING FOR ENGINEERING SUPPORT IN ASSOCIATION WITH THE 2017 STORM DAMAGE REPAIRS, IN THE AMOUNT OF \$62,634.48, FOR A TOTAL CONTRACT NOT-TO-EXCEED AMOUNT OF \$136,689.98

- j. **2017 Storm Damage Repair - #21 San Pablo**  
**Accept Completion of the 2017 Storm Damage Repair at 21 San Pablo Avenue (City Project No. 11330) and Authorize the City Clerk to File the Notice of Completion (PW)**  
[2017 Storm Damage Repair - #21 San Pablo](#)

Approved staff recommendation

AYES: Councilmembers: Bushey, Colin, Gamblin & Mayor Phillips  
NOES: Councilmembers: None  
ABSENT: Councilmembers: McCullough

**SPECIAL PRESENTATION:**

**5. Special Presentation:**

- a. **Marin County Major Crimes Task Force Update**  
**Presentation on Marin County Major Crimes Task Force (PD)**

Chief Bishop introduced Rudy Yamanoha, Marin County Sheriff Department, who gave a presentation on the Marin County Major Crimes Task Force

Rudy Yamanoha

Nick Scottle, Detective with the Major Crimes Task Force, presented on fentanyl

Mayor Phillips / Nick Scottle

Mayor Phillips / Nick Scottle

Mayor Phillips / Nick Scottle

Mayor Phillips / Nick Scottle

Mayor Phillips / Nick Scottle

Mayor Phillips / Nick Scottle

Mayor Phillips

Nick Scottle

**PUBLIC HEARING:**

- 6. **Public Hearing:**

- a. **“TEFRA” Public Hearing for Tax-Exempt Financing - 55 Fairfax Street**  
Resolution Approving Issuance of a Revenue Note by the California Municipal Finance Authority for the Purpose of Providing Financing for a Residential Rental Housing Facility Known as Casa Vista Apartments at 55 Fairfax Street, Pursuant to the Tax and Equity Fiscal Responsibility Act (“TEFRA”) (CD)

[TEFRA - 55 Fairfax Street](#)

Paul Jensen, Community Development Director, presented the staff report

Mayor Phillips declared the public hearing opened; however, with no comment from the audience, he closed the public hearing

Councilmember Bushey moved and Councilmember Colin seconded to adopt the Resolution

RESOLUTION 14626 – RESOLUTION APPROVING ISSUANCE OF A REVENUE NOTE BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE PURPOSE OF PROVIDING FINANCING FOR A RESIDENTIAL RENTAL HOUSING FACILITY KNOWN AS CASA VISTA APARTMENTS AT 55 FAIRFAX STREET, PURSUANT TO THE TAX AND EQUITY FISCAL RESPONSIBILITY ACT (“TEFRA”)

AYES: Councilmembers: Bushey, Colin, Gamblin & Mayor Phillips

NOES: Councilmembers: None

ABSENT: Councilmembers: McCullough

**OTHER AGENDA ITEMS:**

**7. Other Agenda Items:**

- a. **Professional Service Agreements for General Plan 2040 Technical Support**  
Resolutions Authorizing the City Manager to Execute Professional Services Agreements for Technical Support for Development of the General Plan 2040 and the Downtown Precise Plan Totaling an Amount Not to Exceed \$1,458,933 (CD)
- 1) **Resolution Authorizing the City Manager to Execute an Agreement for Professional Services with Placeworks, Inc. to Serve as Environmental Impact Review (EIR) and Engineering and Infrastructure Technical Consultant for the General Plan 2040, with a Two-Year Term and Two Optional One-Year Extensions for a Total Contract Amount Up to \$569,069**
  - 2) **Resolution Authorizing the City Manager to Execute an Agreement for Professional Services with Opticos Design, Inc. to Serve as General Plan Community Design and Downtown Precise Plan Technical Consultant for the General Plan 2040, With a Two-Year Term and Two Optional One-Year Extensions for a Total Contract Amount Up to \$493,500**
  - 3) **Resolution Authorizing the City Manager to Execute an Agreement for Professional Services with BAE Urban Economics, Inc. to Serve as Economic and Fiscal Technical Consultant for the General Plan 2040, with a Two-Year Term and Two Optional One-Year Extensions for a Total Contract Amount Up to \$123,365**
  - 4) **Resolution Authorizing the City Manager to Execute an Agreement for Professional Services with Fehr & Peers Associates, Inc. to Serve as Transportation Technical Consultant for the General Plan 2040, With a Two-Year Term and Two Optional One-Year Extensions for a Total Contract Amount Up to \$273,000**

[General Plan 2040 Agreements](#)

Raffi Boloyan, Planning Manager, presented the staff report

Mayor Phillips

Councilmember Bushey / Raffi Boloyan

Councilmember Colin / Barry Miller, General Plan 2040 Project Manager

Councilmember Colin / Barry Miller

Councilmember Colin / Raffi Boloyan

Councilmember Colin / Raffi Boloyan

Councilmember Colin / Raffi Boloyan

Mayor Phillips invited public comment; however, there was none

Mayor Phillips

Councilmember Bushey moved and Councilmember Colin seconded to adopt the Resolution

RESOLUTION 14627 – RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR PROFESSIONAL SERVICES WITH PLACEWORKS, INC. TO SERVE AS ENVIRONMENTAL IMPACT REVIEW (EIR) AND ENGINEERING AND INFRASTRUCTURE TECHNICAL CONSULTANT FOR THE GENERAL PLAN 2040, WITH A TWO-YEAR TERM AND TWO OPTIONAL ONE-YEAR EXTENSIONS FOR A TOTAL CONTRACT AMOUNT UP TO \$569,069

AYES: Councilmembers: Bushey, Colin, Gamblin & Mayor Phillips

NOES: Councilmembers: None

ABSENT: Councilmembers: McCullough

Councilmember Bushey moved and Councilmember Colin seconded to adopt the Resolution

RESOLUTION 14628 – RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR PROFESSIONAL SERVICES WITH OPTICOS DESIGN, INC. TO SERVE AS GENERAL PLAN COMMUNITY DESIGN AND DOWNTOWN PRECISE PLAN TECHNICAL CONSULTANT FOR THE GENERAL PLAN 2040, WITH A TWO-YEAR TERM AND TWO OPTIONAL ONE-YEAR EXTENSIONS FOR A TOTAL CONTRACT AMOUNT UP TO \$493,500

AYES: Councilmembers: Bushey, Colin, Gamblin & Mayor Phillips

NOES: Councilmembers: None

ABSENT: Councilmembers: McCullough

Councilmember Bushey moved and Councilmember Colin seconded to adopt the Resolution

RESOLUTION 14629 – RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR PROFESSIONAL SERVICES WITH BAE URBAN ECONOMICS, INC. TO SERVE AS ECONOMIC AND FISCAL TECHNICAL CONSULTANT FOR THE GENERAL PLAN 2040,



WITH A TWO-YEAR TERM AND TWO OPTIONAL ONE-YEAR EXTENSIONS FOR A TOTAL CONTRACT AMOUNT UP TO \$123,365

AYES: Councilmembers: Bushey, Colin, Gamblin & Mayor Phillips  
NOES: Councilmembers: None  
ABSENT: Councilmembers: McCullough

[Councilmember Bushey moved and Councilmember Colin seconded to adopt the Resolution](#)

RESOLUTION 14630 – RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR PROFESSIONAL SERVICES WITH FEHR & PEERS ASSOCIATES, INC. TO SERVE AS TRANSPORTATION TECHNICAL CONSULTANT FOR THE GENERAL PLAN 2040, WITH A TWO-YEAR TERM AND TWO OPTIONAL ONE-YEAR EXTENSIONS FOR A TOTAL CONTRACT AMOUNT UP TO \$273,000

AYES: Councilmembers: Bushey, Colin, Gamblin & Mayor Phillips  
NOES: Councilmembers: None  
ABSENT: Councilmembers: McCullough

b. **Wildfire Prevention and Protection Action Plan**  
**Wildfire Prevention and Protection Action Plan Informational Report (FD)**  
[Wildfire Prevention and Protection Action Plan](#)

[City Manager Jim Schutz commented on the item and introduced Fire Chief Chris Gray and Emergency Management Coordinator Quinn Gardner who presented the staff report](#)

[Mayor Phillips](#)

[Chief Gray and Quinn Gardner presented the staff report](#)

[Mayor Phillips](#)

[Councilmember Gamblin / Chief Gray](#)

[Councilmember Colin / Chief Gray / Quinn Gardner](#)

[Councilmember Bushey](#)

[Mayor Phillips](#)

[Mayor Phillips invited public comment](#)

[Kelly London](#)

[Mayor Phillips / Kelly London](#)

[Mayor Phillips](#)

[Chris Petersen, Loch Lomond Homeowners Association](#)

[Jeff Rhoads](#)

Paul Minault, Dominican Firewise Committee

Mayor Phillips

Al Bar

Bill Carney, Sustainable San Rafael

Kingston Cole, Lincoln San Rafael Hill Neighborhood Association

Bell Cole, Organizing for Action Marin and Lead on Climate

Kate Powers

Rodger Buyers, Glenwood Homeowners Association and Get Ready Glenwood

Mayor Phillips

Public Speaker, Get Ready Glenwood

Mayor Phillips

Chief Gray

There being no further comment from the audience, Mayor Phillips closed the public comment period

Mayor Phillips

City Manager Jim Schutz

Mayor Phillips

Councilmember Bushey moved and Councilmember Colin seconded to accept the report

Accepted informational report on draft Action Plan

AYES: Councilmembers: Bushey, Colin, Gamblin & Mayor Phillips

NOES: Councilmembers: None

ABSENT: Councilmembers: McCullough

Mayor Phillips

**COUNCILMEMBER REPORTS / REQUESTS FOR FUTURE AGENDA ITEMS:**

**8. Councilmember Reports:**

- Councilmember Colin attended the League of California Cities North Bay meeting and the Quarterly Climate Change Action Plan meeting

- Mayor Phillips met with Bill Carney regarding Citizens Advisory Committee on Economic Development and Affordable Housing; Met with State Senator Mike McGuire; reported on the Facilities subcommittee; attended the SMART meeting

**SAN RAFAEL SUCCESSOR AGENCY**

**1. Consent Calendar:**

Member Bushey moved and Member Gamblin to approve the Consent Calendar items:

- a. **Successor Agency Quarterly Investment Report**  
**Acceptance of the San Rafael Successor Agency Quarterly Investment Report for the Quarter Ending December 31, 2018 (Fin)**  
[Quarterly Investment Report](#)

Accepted report

AYES: Members: Bushey, Colin, Gamblin & Chairman Phillips  
NOES: Members: None  
ABSENT: Members: McCullough

**ADJOURNMENT:**

Mayor Phillips adjourned the City Council meeting at 9:51 p.m.

-----  
LINDSAY LARA, City Clerk

APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2019

-----  
GARY O. PHILLIPS, Mayor

DRAFT

In the City Manager's Conference Room of the City of San Rafael, Monday, January 22, 2019



**Special Meeting  
San Rafael City Council**

**Minutes**

Present: Mayor Phillips  
Councilmember Colin  
Councilmember Gamblin

Absent: Vice-Mayor McCullough  
Councilmember Bushey

Also Present: City Manager Jim Schutz  
City Clerk Lindsay Lara  
Public Works Director Bill Guerin

- Bicycle and Pedestrian Advisory Committee Interviews**  
Interview Applicants and Consider Appointments to Fill Four Four-Year Terms and One Four-Year Alternate Term to the End of November 2022, and Two Unexpired Four-Year Terms to the End of November 2019 on the San Rafael Bicycle and Pedestrian Advisory Committee Due to the Expiration of Terms of Tim Gilbert, Kate Powers, Kevin Hagerty, Daniel "DJ" Allison, Alternate Member Gerald Belletto and the Resignation of Joakim Osthus and Amy Beresford (CC)  
[BPAC Interviews](#)

The City Council interviewed the following applicants: Kevin Hagerty, Kate Powers, Daniel 'DJ' Allison, Philip Mooney, Stephen Bingham, Bernard Samet, Curt Simon, Marc Solomon, Erik Wikman and Gerald Belletto. Applicants Judith Caldwell and Ross Elkins were absent.

After discussion, there was City Council consensus to reappoint Daniel 'DJ' Allison, Kate Powers, Kevin Hagerty and Gerald Belletto to fill four four-year terms to the end of November 2022; and to appoint Philip Mooney and Marc Solomon to fill two unexpired four-year terms to the end of November 2019. The Alternate position was left vacant.

**ADJOURNMENT:**

Mayor Phillips adjourned the meeting at 6:20 p.m.

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LINDSAY LARA, City Clerk

APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2019

-----  
GARY O. PHILLIPS, Mayor



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

Department: City Clerk

Prepared by: Lindsay Lara, City Clerk

City Manager Approval: 

**TOPIC: CONFLICT OF INTEREST CODE**

**SUBJECT: RESOLUTION REPEALING RESOLUTION NO. 14566, RE-ADOPTING THE FAIR POLITICAL PRACTICES COMMISSION MODEL CONFLICT OF INTEREST CODE AS THE CITY'S CONFLICT OF INTEREST CODE, AND ADOPTING A REVISED LIST OF DESIGNATED EMPLOYEE POSITIONS AND DISCLOSURE CATEGORIES, TO BE INCORPORATED INTO THE CITY'S CONFLICT OF INTEREST CODE**

**RECOMMENDATION:**

Adopt a resolution repealing [Resolution 14566](#), re-adopting the [Fair Political Practices Commission](#) (FPPC) Model Conflict of Interest Code as the City's Conflict of Interest Code, and adopting a revised list of designated employee positions and disclosure categories, to be incorporated into the City's Conflict of Interest Code.

**BACKGROUND:**

FPPC regulations require that, in every even-numbered year, each public agency review and, if necessary, revise that portion of the Conflict of Interest Code containing the agency's lists of designated positions and disclosure categories. These lists have been formulated using the criteria from FPPC regulations requiring that all local officials, who foreseeably may materially affect their private economic interests through the exercise of their public duties, disclose their economic interests by filing a Statement of Economic Interest (Form 700). Some officials are required to file disclosure statements because of their position, and others are required to file because of their duties.

A local agency's conflict of interest code must reflect the current structure of the organization and properly identify officials and employees who should be filing Statements of Economic Interest ([Form 700](#)). A code tells public officials, governmental employees, and consultants what financial interests they must disclose on their Form 700. It helps provide transparency in local government as required under the [Political Reform Act](#).

In addition to the required biennial review of the City's Conflict of Interest Code, the City Clerk reviews the current organizational structure of the City and determines whether the Conflict of Interest Code should be amended to ensure it remains current and

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**FOR CITY CLERK ONLY**

**Council Meeting:**

**Disposition:**

accurate. Staff considered the following questions when determining whether to amend the Conflict of Interest Code:

1. Is the current code more than five years old?
2. Have there been any substantial changes to the agency's organizational structure since the current code was adopted?
3. Have any positions been eliminated or renamed since the current code was adopted?
4. Have any new positions been added since the current code was adopted?
5. Have there been any substantial changes in duties or responsibilities for any positions since the current code was adopted?

On [September 4, 2018](#), the City Council adopted [Resolution 14566](#), which amended the Conflict of Interest Code, and since then there have been substantial changes to the City's organizational structure with the [addition of the Department of Digital Service and Open Government](#). As a result of the reorganization, positions were added, positions were renamed, and positions were removed. Staff recommends that the City Council adopt a resolution repealing Resolution 14566, re-adopt the Fair Political Practices Commission model Conflict of Interest Code as the City's Conflict of Interest Code, and adopt a revised list of Designated Employee positions and Disclosure Categories, to be incorporated into the City's Conflict of Interest Code.

**FISCAL IMPACT:**

There is no fiscal impact associated with this item.

**ACTION:**

Adopt a resolution repealing [Resolution 14566](#), re-adopting the [Fair Political Practices Commission](#) (FPPC) Model Conflict of Interest Code as the City's Conflict of Interest Code, and adopting a revised list of designated employee positions and disclosure categories, to be incorporated into the city's conflict of interest code.

**ATTACHMENTS:**

1. Resolution for adoption, including Appendices A and B (redlined)
2. Model FPPC Conflict of Interest Code (2 CCR Section 18730)

## RESOLUTION NO.

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL REPEALING RESOLUTION 14566, RE-ADOPTING THE FAIR POLITICAL PRACTICES COMMISSION MODEL CONFLICT OF INTEREST CODE AS THE CITY'S CONFLICT OF INTEREST CODE, AND ADOPTING A REVISED LIST OF DESIGNATED EMPLOYEE POSITIONS AND DISCLOSURE CATEGORIES, TO BE INCORPORATED INTO THE CITY'S CONFLICT OF INTEREST CODE**

**WHEREAS**, pursuant to California Government Code Sections 81000, et seq. (The Political Reform Act, or PRA), the City Council has adopted by Resolution from time to time the Fair Political Practices Commission's (FPPC) model Conflict of Interest Code, contained in Title 2, California Code of Regulations, Section 18730, as the City's Conflict of Interest Code, and adopted therewith designated employee positions and disclosure categories for incorporation into the City's Conflict of Interest Code, most recently by Resolution No. 14566; and

**WHEREAS**, every even-numbered year every state agency and local governmental agency is required to review and, if necessary, revise its Conflict of Interest Code, including reviewing and revising its list of designated employee positions and its list of disclosure categories, so as to incorporate such changes as the new titles of recently hired employees, deleted positions, and other organizational restructuring; and

**WHEREAS**, if substantial changes to the City's organizational structure are made and positions have been added, removed, or renamed, the City shall amend its Conflict of Interest Code; and

**WHEREAS**, on December 17, 2018, the City's organizational structure was changed substantially with the addition of the Department of Digital Service and Open Government, and positions were added, removed, and renamed; and

**WHEREAS**, the City Council has determined that the attached Appendices A and B accurately set forth those designated employee positions (Appendix A - Designated Employees) and disclosure categories of financial interest (Appendix B - Disclosure

Categories), which should be made reportable under the City's Conflict of Interest Code; and

**WHEREAS**, the City Council desires to continue to use the FPPC's model Conflict of Interest Code, as set forth in Title 2, California Code of Regulations Section 18730, as the City's Conflict of Interest Code, a copy of which is available for public review in the City Clerk's office;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL RESOLVES AS FOLLOWS:**

1. Resolution 14566 is hereby repealed.
2. The FPPC's model Conflict of Interest Code, as set forth in Title 2, California Code of Regulations Section 18730, is hereby re-adopted as the City's Conflict of Interest Code.
3. The attached list of designated employee positions (Appendix A) and list of disclosure categories (Appendix B) are hereby adopted and incorporated into the City of San Rafael's Conflict of Interest Code.
4. The officials and employees holding designated positions shall file Statements of Economic Interests (Form 700) as required by regulations of the FPPC and by Section 4 (C) of the City's Conflict of Interest Code, with the City Clerk, and the City Council hereby delegates the authority of filing officer to the City Clerk.

I, LINDSAY LARA, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of said City on Tuesday, the 19th day of February 2019 by the following vote, to wit:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:

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LINDSAY LARA, City Clerk

Attached:

1. Appendix A - Designated Employees
2. Appendix B - Disclosure Categories



**APPENDIX A**  
**Designated Employees**

<u>DEPARTMENT</u>	<u>POSITION</u>	<u>DISCLOSURE CATEGORY</u>
All Departments	Management Analyst Series	1, 2
	Administrative Analyst	1, 2
	Professional Analyst (Fixed Term)	1, 2
	Business Systems Analyst (Fixed Term)	1, 2
City Attorney	Assistant City Attorney	1, 2
	Deputy City Attorney II	1, 2
City Clerk	City Clerk	1, 2
	Deputy City Clerk	1, 2
City Manager	Assistant City Manager	1, 2
	Director of Homeless Planning & Outreach	1, 2
	Director of Economic Development and Innovation	1, 2
	Economic Development Program Coordinator	1, 2
	<del>Events Coordinator</del>	<del>1, 2</del>
	Sustainability and Volunteer Program Coordinator	1, 2
Community Development	Community Development Director	1, 2
	Planning Manager	1, 2
	Senior Planner	1, 2
	Associate Planner	1, 2
	Assistant Planner	1, 2
	Planning Technician	1, 2
	Senior / Code Enforcement Supervisor	1, 2
	Code Enforcement Official III	1, 2
	Code Enforcement Official II	1, 2
	Code Enforcement Official I	1, 2
	Chief Building Official	1, 2
	Permit Services Coordinator	1, 2
	Senior Building Inspector	1, 2
	Building Inspector II	1, 2
Building Inspector I	1, 2	
Community Services	Community Services Director	1, 2
	Senior Recreation Supervisor	3a, 3b, 3f, 3g
	Recreation Supervisor	3a, 3b, 3f, 3g
	Program Coordinator	3a, 3b, 3f, 3g
	Recreation Coordinator	3a, 3b, 3f, 3g
	<del>Events Coordinator</del>	<del>1, 2</del>
<u>Digital Service and Open Government</u>	<u>Director of Digital Service and Open Government</u>	<u>1, 2</u>
	<u>Technology Operations Manager</u>	<u>1, 2</u>
	<u>Data &amp; Infrastructure Manager</u>	<u>1, 2</u>
	<u>Civic Design Manager</u>	<u>1, 2</u>
	<u>Network Analyst</u>	<u>3a, 3d, 3g</u>
	<u>GIS Analyst</u>	<u>3e, 3g</u>
Fire	Fire Chief	1, 2
	Deputy Fire Chief	1, 2
	Battalion Chief - Operations	1, 2

<u>DEPARTMENT</u>	<u>POSITION</u>	<u>DISCLOSURE CATEGORY</u>
	Battalion Chief – Administration	1, 2
	Administrative Fire Captain	2, 3d, 3e, 3g
	Deputy Fire Marshal	1, 2
	Fire Prevention Specialist	2, 3d, 3e, 3g
	Fire Prevention Inspector II	2, 3d, 3e, 3g
	Fire Prevention Inspector I	2, 3d, 3e, 3g
	Environmental Management Coordinator	2, 3d, 3e, 3g
	Emergency Management Coordinator	2, 3d, 3e, 3g
	Vegetation Management Specialist	2, 3d, 3e, 3g
Finance	Accounting Manager	1, 2
	Revenue Supervisor	1, 2
	ERP Project Manager (Fixed Term)	1, 2
	Principal Accountant	1, 2
	Senior Accountant	1, 2
	Payroll Administrator	3a, 3c, 3g
Library	Library Director	1, 2
	Assistant Library Director	1, 2
Management Services	Human Resources Director	1, 2
	Human Resources Coordinator	1, 2
	<del>Management Analyst Series</del>	<del>1, 2</del>
	<del>Information Technology Manager</del>	<del>1, 2</del>
	<del>Senior Network Administrator</del>	<del>3a, 3d, 3g</del>
	<del>Network Analyst</del>	<del>3a, 3d, 3g</del>
	Parking Services Manager	1, 2
	Parking Operations Supervisor	2, 3a, 3d, 3g
Police	Chief of Police	1, 2
	Police Captain	1, 2
	Police Lieutenant	1, 2
	Police Support Services Supervisor	3d, 3e, 3f, 3g
	Police Community Services Officer	3d, 3f, 3g
	Youth Services Program Supervisor	3d, 3f, 3g
Public Works / Sanitation District	Public Works Director	1, 2
	Assistant Public Works Director / City Engineer	1, 2
	Deputy Public Works Director	1, 2
	Senior Civil Engineer	1, 2
	Associate Civil Engineer	1, 2
	Assistant Civil Engineer	1, 2
	Sr. Associate Engineer	1, 2
	Jr. Engineer	3e, 3g
	<del>GIS Analyst</del>	<del>3e, 3g</del>
	Engineering Technician I	3e, 3g
	Engineering Technician II	3e, 3g
	Traffic Engineer	1, 2
	Traffic Engineering Technician I	3e, 3g
	Traffic Engineering Technician II	3e, 3g
	Streets Maintenance Supervisor	1, 2
	Parks Maintenance Supervisor	1, 2
	Operations and Maintenance Manager	1, 2
	Facility Repair Supervisor	3d, 3e, 3f
	Shop & Equipment Supervisor	3d, 3e, 3f

<u>DEPARTMENT</u>	<u>POSITION</u>	<u>DISCLOSURE CATEGORY</u>
	District Manager / District Engineer, Sanitation District	1, 2
	Sr. Civil Engineer, Sanitation District	1, 2
	Associate Civil Engineer	1, 2
	Jr. Engineer	1, 2
	Sewers Maintenance Supervisor	3d, 3e, 3f
	Sewer Maintenance Superintendent	3d, 3e, 3f
Boards & Commissions	Design Review Board	1, 2
	Park & Recreation Commission	1, 2
Consultants **		1, 2

\*\* With respect to Consultants, the relevant department director may determine in writing that a particular consultant is hired to perform a range of duties that are limited in scope and thus is not required to comply with the disclosure requirements described in these categories. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The department director shall forward a copy of this determination to the City Clerk. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

Designated Employees ~~2018~~2019

## **APPENDIX B**

### **Disclosure Categories**

Category 1: All investments and sources of income.

Category 2: All interests in real property in the ~~state of California.~~ jurisdiction of San Rafael or within 2 miles of the jurisdiction of San Rafael.

Category 3: Investments in business entities and sources of income of the type which have or foreseeably could contract with the City to provide services, supplies, materials, machinery, or equipment; or which could be enhanced when a designated employee makes or participates in making a decision.

- a. Personnel agencies or personnel consultants;
- b. Municode and Marin County newspapers;
- c. Financial institutions;
- d. Department record forms, communications equipment, safety equipment, firefighting or fire detection equipment, automotive or rolling stock sales, automotive parts or equipment, general departmental supplies or equipment;
- e. Building supplies or building, contractor, or construction firms;
- f. Travel agencies, recreation and athletic supplies, building maintenance and cleaning supplies;
- g. Book, software, and audio-visual publishers and distributors; computer equipment manufacturers and distributors.

#### **NOTE: PENALTY FOR LATE FILING:**

As required under the Political Reform Act of 1974, as amended, section 91013, if any person files an original statement after any deadline, he shall be liable in the amount of \$10.00 per day after the deadline until the statement is filed, up to a maximum of \$100.00, whichever is greater.

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

**§ 18730. Provisions of Conflict of Interest Codes.**

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies.<sup>1</sup>

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories

are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.<sup>2</sup>

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following his or her return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that he or she is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of his or her military status.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.



Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property<sup>3</sup> is required to be reported,<sup>4</sup> the statement shall contain the following:

1. A statement of the nature of the investment or interest;

2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$2,000, exceeds \$10,000, exceeds \$100,000, or exceeds \$1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,<sup>5</sup> the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value, or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was \$1,000 or less, greater than \$1,000, greater than \$10,000, or greater than \$100,000;

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,<sup>6</sup> the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

(D) This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$470.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$470 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected

officer has been elected or over which that elected officer's agency has direction and control.

This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed \$500 at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of \$500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of \$100 or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action.

Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$470 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be



made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

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<sup>1</sup> Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

<sup>2</sup> See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

<sup>3</sup> For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

<sup>4</sup> Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

<sup>5</sup> A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

<sup>6</sup> Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

### **HISTORY**

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14).  
Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).

9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.
12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).
13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).
14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).
15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).
16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).
17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).

19. Editorial correction of subsection (a) (Register 98, No. 47).

20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).

21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).

22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District,

nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of History 24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).

30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

31. Amendment of section heading and section filed 11-15-2010; operative 12-15-2010. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of*

*Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2010, No. 47).

32. Amendment of section heading and subsections (a)-(b)(1), (b)(3)-(4), (b)(5)(C), (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) and amendment of footnote 1 filed 1-8-2013; operative 2-7-2013.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2013, No. 2).

33. Amendment of subsections (b)(8.1)-(b)(8.1)(A), (b)(8.2)(E)3. and (b)(9)(E) filed 12-15-2014; operative 1-1-2015 pursuant to section 18312(e)(1)(A), title 2, California Code of Regulations.

Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2014, No. 51).

34. Redesignation of portions of subsection (b)(8)(A) as new subsections (b)(8)(B)-(D), amendment of subsections (b)(8.1)-(b)(8.1)(A), redesignation of portions of subsection (b)(8.1)(A) as new subsections (b)(8.1)(B)-(C) and amendment of subsection (b)(9)(E) filed 12-1-2016; operative 12-31-2016 pursuant to Cal. Code Regs. tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision,

April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2016, No. 49).





**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

Department: DIGITAL SERVICE AND OPEN GOVERNMENT

Prepared by: Rebecca Woodbury, Director

City Manager Approval: \_\_\_\_\_

**TOPIC: SERVER ADMINISTRATION SUPPORT SERVICES**

**SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH INSITE NETWORKS, INC. FOR SERVER ADMINISTRATION SUPPORT SERVICES, IN AN AMOUNT NOT TO EXCEED \$160,000**

**RECOMMENDATION:** Adopt a resolution authorizing the City Manager to execute an agreement with INsite Networks, Inc. for server administration support services in an amount not to exceed \$160,000.

**BACKGROUND:** As part of the City's technology operations, the Department of [Digital Service and Open Government](#) Network Division manages the design, configuration, administration, and maintenance of the City's computer network and related infrastructure. In doing so, the Network Division is responsible for providing server administration support services to all City departments. This service ordinarily includes various system administration tasks, such as adding and removing user accounts, installing new software on the servers, configuring settings at the server level, and troubleshooting issues with performance or functionality. The City currently contracts with a third-party vendor, [INsite Networks, Inc.](#) (INsite Networks), to augment City staff where additional capacity is needed or specialized skills are not available in-house to ensure that our network and related infrastructure are adequately maintained.

**ANALYSIS:** In November 2016, the City Council approved [a professional services agreement with INsite Networks](#) for one year of server administration support services in an amount not to exceed \$180,000. This agreement was renewed for an additional year, through November 2017. Under this agreement, INsite Networks has adequately provided such services to the City, which has included, but is not limited to, the following:

- Respond to Departmental requests for support by scheduling the appropriate technician(s) to work on-site at City facilities or off-site with remote access to the City's computer network
- Advise staff and/or assigned project managers of any issues that come up which may impact INsite Network's ability to complete support requests within desired timelines
- Maintain a record of hours worked per technician and per day, including enough detail to correlate work performed on tasks assigned by Department staff

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**FOR CITY CLERK ONLY**

**File No.:**

**Council Meeting:**

**Disposition:**

**SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 2**

- Provide the City with detailed timesheets at least once per month on the hours worked and work performed by technicians during the course of providing support
- Ensure technicians document work performed in the City's Help Desk management software system, with enough detail to allow customers and other technicians to understand status of each request
- Assist Department staff with documenting standard support procedures and advise staff when changes to procedures may help improve the City's business practices

Taking into consideration the performance of INsite Networks to provide server administration services to the City, staff recommends that the City enter into a new agreement with INsite Networks (Attachment 2), for the remainder of Fiscal Year 2018-19, to maintain the level of service provided by the Network Division team. Under the proposed agreement, Departmental staff will continue to oversee the provision of services provided by INsite Networks, regardless of the department that originally requests such services.

**FISCAL IMPACT:** The not-to-exceed amount of the proposed agreement is \$160,000. Funds are budgeted and available in the FY 2018-19 Management Services – Information Technology Division operating budget as follows: Technology Fund (\$160,000). The Department will have its own budget, under its new name, in FY 2019-20, and will request funding as needed for any follow-on contracts as part of the normal budget process.

**RECOMMENDED ACTION:** Adopt a resolution authorizing the City Manager to execute an agreement with INsite Networks, Inc. for server administration support services in an amount not to exceed \$160,000.

**ATTACHMENTS:**

1. Resolution
2. Exhibit 1 to Resolution: Professional Services Agreement with attached Exhibit A

## RESOLUTION NO.

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH INSITE NETWORKS, INC. FOR SERVER ADMINISTRATION SUPPORT SERVICES IN AN AMOUNT NOT TO EXCEED \$160,000

**WHEREAS**, the City of San Rafael requires on-going assistance and support with the administration of its server computers in order to maintain their operational effectiveness, as well as to respond to departments' requests for services ("server administration support services"); and

**WHEREAS**, INsite Networks, Inc. ("Insite Networks") is experienced in providing server administration support services; and

**WHEREAS**, on November 10, 2015, the City and Insite Networks entered into an agreement for server administration support services (the "original Agreement"), with the initial term ending on November 9, 2016; and

**WHEREAS**, on October 31, 2016 the City and INsite Networks amended the original Agreement to extend the term of the original Agreement to a term ending November 9, 2017; and

**WHEREAS**, INsite Networks has satisfactorily provided server administration support services to the City; and

**WHEREAS**, INsite Networks has the training and experience to provide, and is willing to provide, server administration support services to the City; and

**WHEREAS**, the City desires to enter into a new agreement with INsite Networks to provide server administration support services to the City for a five-month term, beginning February 1, 2019 and ending June 30, 2019; and

**WHEREAS**, City funds in the amount of \$160,000 are budgeted and available for expenditure in the FY 2018-19 Management Services – Information Technology Division operating budget as follows: Technology Fund (\$160,000);

**NOW, THEREFORE BE IT RESOLVED**, that the City Council hereby authorizes the City Manager to execute a professional services agreement with INsite Networks, Inc. for server administration support services in an amount not to exceed \$160,000, in the form attached as Exhibit 1 and incorporated herein by reference, subject to final approval as to form by the City Attorney.

I, Lindsay Lara, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the San Rafael City Council held on Tuesday, the 19<sup>th</sup> day of February 2019, by the following vote:

AYES:            COUNCILMEMBERS:

NOES:           COUNCILMEMBERS:

ABSENT:        COUNCILMEMBERS:

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LINDSAY LARA, City Clerk

**AGREEMENT FOR  
SERVER ADMINISTRATION SUPPORT SERVICES**

This Agreement is made and entered into this \_\_\_\_ day of **February, 2019**, by and between the CITY OF SAN RAFAEL (hereinafter "**CITY**"), and INsite Networks, Inc. (hereinafter "**CONTRACTOR**").

**RECITALS**

**WHEREAS, CITY** requires ongoing assistance and support with the administration of its server computers in order to maintain their operational effectiveness as well as to respond to departments' requests for services ("server administration support services"); and

**WHEREAS, CONTRACTOR** is experienced in providing server administration support services; and

**WHEREAS, on November 10, 2015, CITY and CONTRACTOR** entered into an Agreement for server administration support services (the "original Agreement"), with the initial term ending on November 10, 2016; and

**WHEREAS, on October 31, 2016 CITY and CONTRACTOR** amended the original Agreement to extend the term of the original Agreement to a term ending November 9, 2017; and

**WHEREAS, CONTRACTOR** has satisfactorily provided workstation computer support services to **CITY**; and

**WHEREAS, CONTRACTOR** has the training and experience to provide, and is willing to provide, server administration support services to **CITY**; and

**WHEREAS, CITY** desires to enter into an Agreement with **CONTRACTOR** to provide server administration support services to **CITY** for a five-month term, beginning February 1, 2019 and ending June 30, 2019.

**AGREEMENT**

**NOW, THEREFORE**, the parties hereby agree as follows:

1. **PROJECT COORDINATION.**

A. **CITY'S Project Manager.** The Director of Digital Service and Open Government is hereby designated the PROJECT MANAGER for the **CITY**, and said PROJECT MANAGER shall supervise all aspects of the progress and execution of this Agreement.

B. **CONTRACTOR'S Project Director.** **CONTRACTOR** shall assign a single

PROJECT DIRECTOR to have overall responsibility for the progress and execution of this Agreement for **CONTRACTOR**. Kirk Hylan is hereby designated as the PROJECT DIRECTOR for **CONTRACTOR**. Should circumstances or conditions subsequent to the execution of this Agreement require a substitute PROJECT DIRECTOR, for any reason, the **CONTRACTOR** shall notify the **CITY** in writing within ten (10) business days of the substitution.

2. DUTIES OF CONTRACTOR.

**CONTRACTOR** shall perform the duties as described in "Exhibit A" attached and incorporated herein.

3. DUTIES OF CITY.

**CITY** shall pay the compensation as provided in Paragraph 4, and perform the duties as described in "Exhibit A" attached and incorporated herein.

4. COMPENSATION.

For the full performance of the services described herein by **CONTRACTOR**, **CITY** shall pay **CONTRACTOR** on a time and materials basis as specified in "Exhibit A", provided that the total amount paid to **CONTRACTOR** for its services and expenses will not exceed \$160,000.00 during the term of this Agreement.

The total not-to-exceed amount of this Agreement is \$160,000.00.

Payment will be made upon receipt by PROJECT MANAGER of itemized invoices submitted by **CONTRACTOR**.

5. TERM OF AGREEMENT.

The term of this Agreement shall be for five (5) months, beginning on February 1, 2019 and ending on June 30, 2019. Upon mutual agreement of the parties, and subject to the availability of appropriated funds, the City Manager may elect to extend the term of this Agreement for up to six (6) months, for a total period not to exceed eleven (11) months.

6. TERMINATION.

A. **Discretionary.** Either party may terminate this Agreement without cause upon thirty (30) days written notice mailed or personally delivered to the other party.

B. **Cause.** Either party may terminate this Agreement for cause upon fifteen (15) days written notice mailed or personally delivered to the other party, and the notified party's failure to cure or correct the cause of the termination, to the reasonable satisfaction of the party giving such notice, within such fifteen (15) day time period.

C. **Effect of Termination.** Upon receipt of notice of termination, neither party shall

incur additional obligations under any provision of this Agreement without the prior written consent of the other.

D. **Return of Documents.** Upon termination, any and all **CITY** documents or materials provided to **CONTRACTOR** and any and all of **CONTRACTOR's** documents and materials prepared for or relating to the performance of its duties under this Agreement, shall be delivered to **CITY** as soon as possible, but not later than thirty (30) days after termination.

7. OWNERSHIP OF DOCUMENTS.

The written documents and materials prepared by the **CONTRACTOR** in connection with the performance of its duties under this Agreement, shall be the sole property of **CITY**. **CITY** may use said property for any purpose, including projects not contemplated by this Agreement.

8. INSPECTION AND AUDIT.

Upon reasonable notice, **CONTRACTOR** shall make available to **CITY**, or its agent, for inspection and audit, all documents and materials maintained by **CONTRACTOR** in connection with its performance of its duties under this Agreement. **CONTRACTOR** shall fully cooperate with **CITY** or its agent in any such audit or inspection.

9. ASSIGNABILITY.

The parties agree that they shall not assign or transfer any interest in this Agreement nor the performance of any of their respective obligations hereunder, without the prior written consent of the other party, and any attempt to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

10. INSURANCE.

A. **Scope of Coverage.** During the term of this Agreement, **CONTRACTOR** shall maintain, at no expense to **CITY**, the following insurance policies:

1. A commercial general liability insurance policy in the minimum amount of one million dollars (\$1,000,000) per occurrence/two million dollars (\$2,000,000) aggregate, for death, bodily injury, personal injury, or property damage.

2. An automobile liability (owned, non-owned, and hired vehicles) insurance policy in the minimum amount of one million dollars (\$1,000,000) dollars per occurrence.

3. If any licensed professional performs any of the services required to be performed under this Agreement, a professional liability insurance policy in the minimum amount of one million dollars (\$1,000,000) per occurrence/two million dollars (\$2,000,000) aggregate, to cover any claims arising out of the **CONTRACTOR's** performance of services under this Agreement. Where **CONTRACTOR** is a professional not required to have a professional license, **CITY** reserves the right to require **CONTRACTOR** to provide professional liability insurance pursuant to this



section.

4. If it employs any person, **CONTRACTOR** shall maintain worker's compensation insurance, as required by the State of California, with statutory limits, and employer's liability insurance with limits of no less than one million dollars (\$1,000,000) per accident for bodily injury or disease. **CONTRACTOR's** worker's compensation insurance shall be specifically endorsed to waive any right of subrogation against **CITY**.

**B. Other Insurance Requirements.** The insurance coverage required of the **CONTRACTOR** in subparagraph A of this section above shall also meet the following requirements:

1. Except for professional liability insurance or worker's compensation insurance, the insurance policies shall be specifically endorsed to include the **CITY**, its officers, agents, employees, and volunteers, as additional insureds (for both ongoing and completed operations) under the policies.

2. The additional insured coverage under **CONTRACTOR'S** insurance policies shall be "primary and non contributory" with respect to any insurance or coverage maintained by **CITY** and shall not call upon **CITY's** insurance or self-insurance coverage for any contribution. The "primary and noncontributory" coverage in **CONTRACTOR'S** policies shall be at least as broad as ISO form CG20 01 04 13.

3. Except for professional liability insurance or worker's compensation insurance, the insurance policies shall include, in their text or by endorsement, coverage for contractual liability and personal injury.

4. By execution of this Agreement, **CONTRACTOR** hereby grants to **CITY** a waiver of any right to subrogation which any insurer of **CONTRACTOR** may acquire against **CITY** by virtue of the payment of any loss under such insurance. **CONTRACTOR** agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not **CITY** has received a waiver of subrogation endorsement from the insurer.

5. If the insurance is written on a Claims Made Form, then, following termination of this Agreement, said insurance coverage shall survive for a period of not less than five years.

6. The insurance policies shall provide for a retroactive date of placement coinciding with the effective date of this Agreement.

7. The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of **CITY** (if agreed to in a written contract or agreement) before **CITY'S** own insurance or self-insurance shall be called upon to protect it as a named insured.

8. It shall be a requirement under this Agreement that any available insurance



proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to CITY or any other additional insured party. Furthermore, the requirements for coverage and limits shall be: (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the obligations of the **CONTRACTOR** under this agreement.

C. **Deductibles and SIR's.** Any deductibles or self-insured retentions in **CONTRACTOR's** insurance policies must be declared to and approved by the PROJECT MANAGER and City Attorney, and shall not reduce the limits of liability. Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or **CITY** or other additional insured party. At **CITY's** option, the deductibles or self-insured retentions with respect to **CITY** shall be reduced or eliminated to **CITY's** satisfaction, or **CONTRACTOR** shall procure a bond guaranteeing payment of losses and related investigations, claims administration, attorney's fees and defense expenses.

D. **Proof of Insurance.** **CONTRACTOR** shall provide to the PROJECT MANAGER or **CITY'S** City Attorney all of the following: (1) Certificates of Insurance evidencing the insurance coverage required in this Agreement; (2) a copy of the policy declaration page and/or endorsement page listing all policy endorsements for the commercial general liability policy, and (3) excerpts of policy language or specific endorsements evidencing the other insurance requirements set forth in this Agreement. **CITY** reserves the right to obtain a full certified copy of any insurance policy and endorsements from **CONTRACTOR**. Failure to exercise this right shall not constitute a waiver of the right to exercise it later. The insurance shall be approved as to form and sufficiency by PROJECT MANAGER and the City Attorney.

## 11. INDEMNIFICATION.

A. Except as otherwise provided in Paragraph B., **CONTRACTOR** shall, to the fullest extent permitted by law, indemnify, release, defend with counsel approved by **CITY**, and hold harmless **CITY**, its officers, agents, employees and volunteers (collectively, the "**City Indemnitees**"), from and against any claim, demand, suit, judgment, loss, liability or expense of any kind, including but not limited to attorney's fees, expert fees and all other costs and fees of litigation, (collectively "**CLAIMS**"), arising out of **CONTRACTOR'S** performance of its obligations or conduct of its operations under this Agreement. The **CONTRACTOR's** obligations apply regardless of whether or not a liability is caused or contributed to by the active or passive negligence of the **City Indemnitees**. However, to the extent that liability is caused by the active negligence or willful misconduct of the **City Indemnitees**, the **CONTRACTOR's** indemnification obligation shall be reduced in proportion to the **City Indemnitees'** share of liability for the active negligence or willful misconduct. In addition, the acceptance or approval of the **CONTRACTOR's** work or work product by the **CITY** or any of its directors, officers or employees shall not relieve or reduce the **CONTRACTOR's** indemnification obligations. In the event the **City Indemnitees** are made a party to any action, lawsuit, or other adversarial proceeding arising from **CONTRACTOR'S** performance of or operations under this Agreement, **CONTRACTOR** shall provide a defense to the **City Indemnitees** or at **CITY'S** option reimburse

the **City Indemnitees** their costs of defense, including reasonable attorneys' fees, incurred in defense of such claims.

B. Where the services to be provided by **CONTRACTOR** under this Agreement are design professional services to be performed by a design professional as that term is defined under Civil Code Section 2782.8, then, to the extent permitted by law including without limitation, Civil Code sections 2782, 2782.6 and 2782.8, **CONTRACTOR** shall indemnify and hold harmless the **CITY** and its officers, officials, and employees (collectively **City Indemnitees**) from and against damages, liabilities or costs (including incidental damages, Court costs, reasonable attorney's fees as may be determined by the Court, litigation expenses and fees of expert witnesses incurred in connection therewith and costs of investigation) to the extent they are caused by the negligence, recklessness, or willful misconduct of **CONTRACTOR**, or any subconsultants, or subcontractor or anyone directly or indirectly employed by them, or anyone for whom they are legally liable (collectively **Liabilities**). Such obligation to hold harmless and indemnify any indemnity shall not apply to the extent that such **Liabilities** are caused in part by the negligence or willful misconduct of such City Indemnitee.

C. The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement, and shall survive the termination or completion of this Agreement for the full period of time allowed by law.

12. NONDISCRIMINATION.

**CONTRACTOR** shall not discriminate, in any way, against any person on the basis of age, sex, race, color, religion, ancestry, national origin or disability in connection with or related to the performance of its duties and obligations under this Agreement.

13. COMPLIANCE WITH ALL LAWS.

**CONTRACTOR** shall observe and comply with all applicable federal, state and local laws, ordinances, codes and regulations, in the performance of its duties and obligations under this Agreement. **CONTRACTOR** shall perform all services under this Agreement in accordance with these laws, ordinances, codes and regulations. **CONTRACTOR** shall release, defend, indemnify and hold harmless **CITY**, its officers, agents and employees from any and all damages, liabilities, penalties, fines and all other consequences from any noncompliance or violation of any laws, ordinances, codes or regulations.

14. NO THIRD PARTY BENEFICIARIES.

**CITY** and **CONTRACTOR** do not intend, by any provision of this Agreement, to create in any third party, any benefit or right owed by one party, under the terms and conditions of this Agreement, to the other party.

15. NOTICES.

All notices and other communications required or permitted to be given under this Agreement, including any notice of change of address, shall be in writing and given by personal delivery, or deposited with the United States Postal Service, postage prepaid, addressed to the parties intended to be notified. Notice shall be deemed given as of the date of personal delivery, or if mailed, upon the date of deposit with the United States Postal Service. Notice shall be given as follows:

TO **CITY**'s Project Manager: Rebecca Woodbury  
City of San Rafael  
1400 Fifth Avenue  
San Rafael, CA 94901

TO **CONTRACTOR**'s Project Director: Kirk Hylan  
INsite Networks  
P.O. Box 9809  
San Rafael, CA 94912

16. INDEPENDENT CONTRACTOR.

For the purposes, and for the duration, of this Agreement, **CONTRACTOR**, its officers, agents and employees shall act in the capacity of an Independent Contractor, and not as employees of the **CITY**. **CONTRACTOR** and **CITY** expressly intend and agree that the status of **CONTRACTOR**, its officers, agents and employees be that of an Independent Contractor and not that of an employee of **CITY**.

17. ENTIRE AGREEMENT -- AMENDMENTS.

A. The terms and conditions of this Agreement, all exhibits attached, and all documents expressly incorporated by reference, represent the entire Agreement of the parties with respect to the subject matter of this Agreement.

B. This written Agreement shall supersede any and all prior agreements, oral or written, regarding the subject matter between the **CONTRACTOR** and the **CITY**.

C. No other agreement, promise or statement, written or oral, relating to the subject matter of this Agreement, shall be valid or binding, except by way of a written amendment to this Agreement.

D. The terms and conditions of this Agreement shall not be altered or modified except by a written amendment to this Agreement signed by the **CONTRACTOR** and the **CITY**.

E. If any conflicts arise between the terms and conditions of this Agreement, and the terms and conditions of the attached exhibits or the documents expressly incorporated by reference, the terms and conditions of this Agreement shall control.

18. SET-OFF AGAINST DEBTS.

**CONTRACTOR** agrees that **CITY** may deduct from any payment due to **CONTRACTOR** under this Agreement, any monies which **CONTRACTOR** owes **CITY** under any ordinance, agreement, contract or resolution for any unpaid taxes, fees, licenses, assessments, unpaid checks or other amounts.

19. WAIVERS.

The waiver by either party of any breach or violation of any term, covenant or condition of this Agreement, or of any ordinance, law or regulation, shall not be deemed to be a waiver of any other term, covenant, condition, ordinance, law or regulation, or of any subsequent breach or violation of the same or other term, covenant, condition, ordinance, law or regulation. The subsequent acceptance by either party of any fee, performance, or other consideration which may become due or owing under this Agreement, shall not be deemed to be a waiver of any preceding breach or violation by the other party of any term, condition, covenant of this Agreement or any applicable law, ordinance or regulation.

20. COSTS AND ATTORNEY'S FEES.

The prevailing party in any action brought to enforce the terms and conditions of this Agreement, or arising out of the performance of this Agreement, may recover its reasonable costs (including claims administration) and attorney's fees expended in connection with such action.

21. CITY BUSINESS LICENSE / OTHER TAXES.

**CONTRACTOR** shall obtain and maintain during the duration of this Agreement, a **CITY** business license as required by the San Rafael Municipal Code **CONTRACTOR** shall pay any and all state and federal taxes and any other applicable taxes. **CITY** shall not be required to pay for any work performed under this Agreement, until **CONTRACTOR** has provided **CITY** with a completed Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification).

22. SURVIVAL OF TERMS.

Any terms of this Agreement that by their nature extend beyond the term (or termination) of this Agreement shall remain in effect until fulfilled, and shall apply to both Parties' respective successors and assigns.

23. APPLICABLE LAW.

The laws of the State of California shall govern this Agreement.

24. COUNTERPARTS AND ELECTRONIC SIGNATURE.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one document. Counterpart signature pages may be delivered by telecopier, email or other means of electronic transmission.




**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day, month and year first above written.

**CITY OF SAN RAFAEL**

**CONTRACTOR**

\_\_\_\_\_  
JIM SCHUTZ, City Manager

  
\_\_\_\_\_  
Kirk Hylan, Principal

ATTEST:

\_\_\_\_\_  
LINDSAY LARA, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
ROBERT F. EPSTEIN, City Attorney

## **“EXHIBIT A”**

to Agreement with INsite Networks, Inc. for Server Administration Support Services

### **SCHEDULES AND RATES**

For billing purposes, normal service hours are 8:00 a.m. to 6:00 p.m. Monday through Friday except holidays. **CONTRACTOR**'s normal service response time will be 8 hours or better. For service calls requested before 12:00 p.m. on a weekday, **CONTRACTOR** will make every effort to respond on the same business day. For service requested after 12:00 p.m., service may occur on the next business day. **CONTRACTOR** will do everything possible to perform emergency service which is deemed necessary and cannot wait until the next day.

In the event that emergency service is required which is not part of the selected service level, **CONTRACTOR**'s technician time will be billable from portal to portal. A premium rate of 1.5 times the standard hourly rate will apply if service is provided outside of the 8:00 a.m. to 6:00 p.m. window at the request of **CITY**. Work performed on Saturdays and Sundays at the request of **CITY** will also be billed at the premium rate. Work requested by **CITY** to be performed on Holidays will be billed at a special holiday rate of 2 times the standard hourly rate.

For the term of this agreement, **CITY** shall pay **CONTRACTOR** at the following agreed upon standard hourly rates:

Network Administrator - \$125 per hour  
Desktop Technician - \$65 per hour

Upon mutual agreement of the **CITY** and **CONTRACTOR**, the standard hourly rates may be renegotiated at the start of each optional extension period of the Agreement.

### **CONTRACTOR RESPONSIBILITIES**

**CONTRACTOR** will provide technicians to assist the **CITY**'s Department of Digital Service and Open Government (DSOG) with handling server administration and day-to-day help desk service requests. This will include the following tasks:

- Respond to DSOG requests for support by scheduling the appropriate technician(s) to work on-site at **CITY** facilities or off-site with remote access to the **CITY**'s computer network.
- Advise DSOG staff and/or assigned project managers of any issues that come up which may impact **CONTRACTOR**'s ability to complete support requests within desired timelines.
- Maintain a record of hours worked per technician and per day, including enough detail to correlate work performed on tasks assigned by DSOG.
- Provide **CITY** with detailed timesheets at least once per month on the hours worked and work performed by technicians during the course of providing help desk support.

- Ensure technicians document work performed in the DSOG help desk management software system, with enough detail to allow customers and other technicians to understand status of each request.
- Assist DSOG staff with documenting standard support procedures and advise DSOG when changes to procedures may help improve **CITY's** business practices.
- Adhere to the City's network security and configuration control guidelines as required.

## **CITY RESPONSIBILITIES**

Provide **CONTRACTOR** with current network configuration information, as available.

Provide **CONTRACTOR** technicians with remote access to **CITY** network for monitoring and troubleshooting when not working on-site.

Provide **CONTRACTOR** technicians with suitable workspace and direct network access when working on-site.

Assign help desk work requests to **CONTRACTOR**, establish procedures for self-assigning requests from help desk software system queues, and advise on priorities for accomplishing work.

Participate in meetings with **CONTRACTOR** as needed to manage support services and/or projects.

Review **CONTRACTOR** timesheets for help desk support and project work hours in preparation for processing invoices for payment.



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

Department: Public Works

Prepared by: Bill Guerin,  
Director of Public Works

City Manager Approval:

File No.: 18.06.59

**TOPIC: GRAND AVENUE PATHWAY CONNECTOR PROJECT**

**SUBJECT: REQUEST FOR APPROVAL OF PROJECT CHANGES TO ADDRESS UNFORESEEN CONDITIONS DISCOVERED DURING CONSTRUCTION OF THE GRAND AVENUE PATHWAY CONNECTOR PROJECT REQUIRING ADDITIONAL ENGINEERING SERVICES AND THE ELEVATION OF THE PEDESTRIAN PATH:**

1. RESOLUTION AUTHORIZING AN ADDITIONAL CONTINGENCY AMOUNT OF \$130,000 FOR THE GRAND AVENUE PATHWAY CONNECTOR PROJECT USING \$81,725 IN FEDERAL FUNDS AND AUTHORIZING THE USE OF \$48,275 IN TRAFFIC MITIGATION FUNDS TOWARD THIS PROJECT.
2. RESOLUTION APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A FIFTH AMENDMENT TO THE AGREEMENT WITH SIEGFRIED ENGINEERING, INC. FOR ADDITIONAL CONSTRUCTION SUPPORT SERVICES ASSOCIATED WITH THE GRAND AVENUE PATHWAY CONNECTOR PROJECT IN THE AMOUNT OF \$30,000, TO BE FUNDED BY TRAFFIC MITIGATION FUNDS, FOR A TOTAL CONTRACT NOT-TO-EXCEED AMOUNT OF \$378,737.

**RECOMMENDATION:**

1. Adopt a resolution authorizing an additional contingency amount of \$130,000 for the Grand Avenue Pathway Connector Project and authorizing the use of \$48,275 in Traffic Mitigation Funds.
2. Adopt a resolution authorizing the City Manager to execute an amendment to the professional services agreement with Siegfried Engineering for additional construction support services in an amount not to exceed \$30,000, to be funded by Traffic Mitigation Funds, increasing the total not-to-exceed amount under the agreement to \$378,737.

**BACKGROUND:** Grand Avenue and Francisco Boulevard East form the primary corridor for residents living in the Canal Neighborhood, the most densely populated area in Marin County, to access central San Rafael, the San Rafael Transit Center, SMART station, Montecito Plaza, and San Rafael High School. The Grand Avenue Pathway Connector Project ("Bridge Project")

**FOR CITY CLERK ONLY**

File No.: \_\_\_\_\_

Council Meeting: \_\_\_\_\_

Disposition: \_\_\_\_\_



## **SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 2**

will fill a significant bicycle/pedestrian safety gap within a major north-south corridor by installing a 12-foot-wide bicycle/pedestrian bridge across the San Rafael Canal.

In August 2018, the City Council awarded a construction contract to Valentine Corporation to install the new bridge and related civil improvements. Construction commenced on October 9, 2018. To date, the contractor has completed installation of new sidewalk with concrete barrier and railing on the west side of the vehicular bridge, providing a direct pedestrian connection from the Grand Marina office complex at 711 Grand Avenue to the intersection of Second Street and Grand Avenue. The contractor has also completed the pedestrian bridge abutments and deep foundations on both banks of the San Rafael Canal. The pedestrian bridge has been fabricated with installation scheduled in March 2019.

**ANALYSIS:** During excavation for the new bridge abutment on the north side of the canal, the contractor located buried concrete only inches below the asphalt parking lot surface. After a detailed search of building files maintained by the City's Community Development Department, it was determined that the buried concrete was associated with the sheet pile wall system supporting the previous used car dealership on the north side of the canal.

To maintain the structural integrity of the existing wall, the design team determined that the best alternative was to raise the elevation of the new pedestrian bridge by approximately one foot resulting in a modification to the bridge abutment, custom designed curb/gutter, change in sidewalk ramps to conform to Americans with Disabilities Act (ADA) requirements, retaining walls, and safety cable railing to match that previously included in the contract.

In addition to elevating the pedestrian path, a private potable water line serving the Toyota Marin site was discovered during construction. If left in place, the private water line would be under the new pedestrian path and therefore it is necessary to relocate the water line out of the City-owned property.

It is estimated that these unforeseen changes will cost approximately \$130,000, which will result in the existing project contingency being exhausted. Therefore, Staff recommends that additional contingency in the amount of \$130,000 be approved in order to ensure the project can be completed. Attached is a resolution authorizing the required increase to the project budget (Attachment 1).

The changes in construction outlined above have also resulted in the construction support budget of the design team being utilized sooner than anticipated. Siegfried Engineering has performed construction support services for this project thus allowing the designer to review material submittals, make minor adjustments to the construction documents, attend meetings, and respond to detailed questions asked by the general contractor.

The second proposed resolution (Attachment 2) authorizes the City Manager to execute a fifth amendment to the existing professional services agreement with Siegfried Engineering to include the additional construction support services, in an additional amount not to exceed \$30,000, bringing the total contract amount to \$378,737.

### **FISCAL IMPACT:**

The engineer's estimate for the unforeseen work is approximately \$130,000. The additional construction support is approximately \$30,000. The improvements associated with the Bridge Project are identified in San Rafael's 2020 General Plan which is noted in General Plan Exhibit 21, Item 28. Projects noted in this section of the General Plan are eligible to be funded with Traffic Mitigation Funds. Staff proposes using federal funds (distributed through TAM) in the

**SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 3**

amount of \$81,725 and City Traffic Mitigation funds in the amount of \$78,275 (see chart below). The project budget is summarized below:

**Project Budget:**

<b>Construction Funding Sources</b>	<b>Allocation</b>
Federal Grant (i.e., CMAQ)	\$1,000,000
Grant - Measure A: Local Roads 2015/16	\$245,725
Grant - Measure A: Housing Incentive Program	\$196,000
Grant - Measure A: Safe Pathway Fund 2015/16	\$107,000
Federal Funds (distributed through TAM)**	\$681,275
Federal Funds (distributed through TAM) – New Allocation**	\$81,725
Traffic Mitigation Funds (Fund #246) – New Allocation	\$78,275
<b>Total Available Funds</b>	<b>\$2,390,000</b>

\*\* The \$763,000 (\$681,275+81,725) of federal funds distributed through TAM was originally earmarked for the Francisco Blvd West multi-use path project, a non-federalized project, but needed to be spent on the Grand Ave bridge project due to the federal nature of the funding.

**Expenses:**

<b>Construction Expenses</b>	<b>Amount</b>
Construction Award	
Contract Amount	\$1,776,870
Contingency	\$241,802
Additional Contingency	\$130,000
<b>Total Construction Costs</b>	<b>\$2,148,672</b>
Other Construction Expenses	
Special Inspections/Materials Testing	\$25,000
Field Inspection Services	\$146,328
Construction Support Services	\$40,000
Additional Construction Support Services	\$30,000
<b>Total Other Construction Expenses</b>	<b>\$241,328</b>
<b>Total Estimated Construction Expenses</b>	<b>\$2,390,000</b>

**Complete Project Expenses Summary:**

<b>Project Expenses</b>	<b>Amount</b>
Design/Planning	\$273,953
Private Property Acquisition	\$840,158
<b>Estimated Construction Expenses (proposed above)</b>	<b>\$2,390,000</b>
<b>Total Project Costs</b>	<b>\$3,504,111</b>

**OPTIONS:**

The City Council has the following options to consider relating to this matter:

1. Adopt both resolutions as presented.

2. The City Council may decline to approve one or both of the resolutions identified above. If the additional construction contingency request is not authorized, the project may not be completed as designed.

**RECOMMENDED ACTION:**

1. Adopt a resolution authorizing an additional contingency amount of \$130,000 for the Grand Avenue Pathway Connector Project and authorizing the use of \$48,275 in Traffic Mitigation Funds.
2. Adopt a resolution authorizing the City Manager to execute an amendment to the professional services agreement with Siegfried Engineering for additional construction support services in an amount not to exceed \$30,000, funded by Traffic Mitigation Funds, increasing the total not-to-exceed amount under the agreement to \$378,737.

**ATTACHMENTS:**

1. Resolution authorizing an additional contingency amount of \$130,000 for the Grand Avenue Pathway Connector Project and authorizing the use of \$48,275 in Traffic Mitigation Funds.
2. Resolution approving and authorizing the City Manager to execute an amendment to the professional services agreement with Siegfried Engineering for additional construction support services in the amount of \$30,000, to be funded by Traffic Mitigation Funds.
3. Exhibit 1 to Attachment 2: Fifth Amendment to Agreement with Siegfried Engineering

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL  
AUTHORIZING AN ADDITIONAL CONTINGENCY AMOUNT OF \$130,000 FOR THE  
GRAND AVENUE PATHWAY CONNECTOR PROJECT USING \$81,725 IN FEDERAL  
FUNDS AND AUTHORIZING THE USE OF \$48,275 IN TRAFFIC MITIGATION  
FUNDS TOWARD THIS PROJECT**

**WHEREAS**, on the 6<sup>th</sup> day of August 2018, the City Council of the City of San Rafael awarded a construction contract for the Grand Avenue Pathway Connector Project, City Project No. 11173, to Valentine Corporation in the amount of \$1,776,870; and

**WHEREAS**, the City Council authorized a construction contingency in the amount of \$241,802 for this project; and

**WHEREAS**, an additional construction contingency in the amount of \$130,000 is necessary for various increases in the project cost as well as additional modifications to the project scope.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL  
RESOLVES** as follows:

1. The construction contingency for the Grand Avenue Pathway Connector Project, City Project No. 11173, is hereby increased in the amount of \$130,000.
2. Funds totaling \$48,275 are hereby appropriated for the construction contingency for City Project No. 11173 from the Traffic Mitigation Fund, #246.
3. Funds totaling \$81,725 are hereby appropriated for City Project No. 11173 from Federal Funds distributed through TAM (Transportation Authority of Marin).

4. The City Manager is hereby authorized to take any and all such actions and make changes as may be necessary to accomplish the purpose of this resolution.

I, **LINDSAY LARA**, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of said City held on Tuesday, the 19th day of February 2019 by the following vote, to wit:

**AYES:            COUNCILMEMBERS:**  
**NOES:            COUNCILMEMBERS:**  
**ABSENT:        COUNCILMEMBERS:**

---

**LINDSAY LARA, City Clerk**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE SAN RAFAEL CITY COUNCIL APPROVING AND  
AUTHORIZING THE CITY MANAGER TO EXECUTE A FIFTH AMENDMENT TO THE  
AGREEMENT WITH SIEGFRIED ENGINEERING, INC. FOR ADDITIONAL  
CONSTRUCTION SUPPORT SERVICES ASSOCIATED WITH THE GRAND AVENUE  
PATHWAY CONNECTOR PROJECT, IN THE AMOUNT OF \$30,000, TO BE FUNDED  
BY TRAFFIC MITIGATION FUNDS, FOR A TOTAL CONTRACT NOT TO EXCEED  
AMOUNT OF \$378,737**

---

**WHEREAS**, pursuant to City Council Resolution No. 13198, the City of San Rafael entered into a Professional Services Agreement dated July 18, 2011 with Siegfried Engineering, Inc. (“Siegfried”), for design services associated with the Grand Avenue Pathway Connector Project (the “Project”) in an amount not-to-exceed \$158,984; and

**WHEREAS**, pursuant to City Council Resolution No. 13391, on August 6, 2012 the City and Siegfried entered into a First Amendment to the Professional Services Agreement for design services for the Project, expanding the scope of work and increasing the not-to-exceed amount by \$21,700 for a total not-to-exceed amount of \$180,684; and

**WHEREAS**, pursuant to City Council Resolution No. 13837, on November 3, 2014 the City and Siegfried entered into a Second Amendment of the Professional Services Agreement for the Project, expanding the scope of work and increasing the not-to-exceed amount by \$59,528 for a total not-to-exceed amount of \$240,212; and

**WHEREAS**, pursuant to City Council Resolution No. 14052, on January 22, 2016 the City and Siegfried entered into a Third Amendment of the Professional Services Agreement for the Project, and increasing the not-to-exceed amount by \$68,525 for a total not-to-exceed amount of \$308,737; and

**WHEREAS**, pursuant to City Council Resolution No. 14559, on August 6, 2018 the City and Siegfried entered into a Fourth Amendment of the Professional Services Agreement for the Project, and increasing the not-to-exceed amount by \$40,000 for a total not-to-exceed amount of \$348,737; and

**WHEREAS**, the City requires additional construction support services for the Project and Siegfried has submitted a proposal to provide such services; and

**WHEREAS**, staff has reviewed Siegfried's proposal and found it to be complete and within industry standards;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL RESOLVES** as follows:

1. Funds totaling \$30,000 are hereby appropriated for construction support services for City Project No. 11173 from the Traffic Mitigation Fund, #246.
2. The Council hereby approves and authorizes the City Manager to execute a Fifth Amendment to the Professional Services Agreement with Siegfried Engineering, Inc. for additional construction support services in the amount of \$30,000 and a revised total contract value not to exceed \$378,737, in the form attached hereto as Exhibit 1 and incorporated herein by reference, subject to final approval as to form by the City Attorney.
3. The Director of Public Works is hereby authorized to take any and all such actions and make changes as may be necessary to accomplish the purpose of this resolution.

**I, LINDSAY LARA**, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the Council of said City on the 19<sup>th</sup> day of February 2019, by the following vote, to wit:

**AYES:**           **COUNCILMEMBERS:**  
**NOES:**           **COUNCILMEMBERS:**  
**ABSENT:**       **COUNCILMEMBERS:**

---

**LINDSAY LARA, City Clerk**

**FIFTH AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH  
SIEGFRIED ENGINEERING, INC. FOR PROFESSIONAL SERVICES FOR THE GRAND  
AVENUE PATHWAY CONNECTOR PROJECT**

**THIS FIFTH AMENDMENT** to the Professional Services Agreement by and between the **CITY OF SAN RAFAEL** (hereinafter “**CITY**”), and **SIEGFRIED ENGINEERING, INC.**, (hereinafter “**CONSULTANT**”), is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**RECITALS**

**WHEREAS**, pursuant to City Council Resolution No. 13198, the **CITY** and **CONSULTANT** entered into a Professional Services Agreement dated July 18, 2011 for design services associated with the Grand Avenue Pathway Connector Project (the “Project”) in an amount not-to-exceed \$158,984 (the “Agreement”); and

**WHEREAS**, pursuant to City Council Resolution No. 13391, on August 6, 2012 the **CITY** and **CONSULTANT** entered into a First Amendment to the Professional Services Agreement for design services for the Project, expanding the scope of work and increasing the not-to-exceed amount by \$21,700 for a total not-to-exceed amount of \$180,684; and

**WHEREAS**, pursuant to City Council Resolution No. 13837, on November 3, 2014 the **CITY** and **CONSULTANT** entered into a Second Amendment of the Professional Services Agreement for the Project, expanding the scope of work and increasing the not-to-exceed amount by \$59,528 for a total not-to-exceed amount of \$240,212; and

**WHEREAS**, pursuant to City Council Resolution No. 14052, on January 22, 2016 the **CITY** and **CONSULTANT** entered into a Third Amendment of the Professional Services Agreement for the Project, and increasing the not-to-exceed amount by \$68,525 for a total not-to-exceed amount of \$308,737; and

**WHEREAS**, pursuant to City Council Resolution No. 14559, on August 6, 2018 the **CITY** and **CONSULTANT** entered into a Fourth Amendment of the Professional Services Agreement for the Project, and increasing the not-to-exceed amount by \$40,000 for a total not-to-exceed amount of \$348,737; and

**WHEREAS**, **CITY** requires additional construction support services from the **CONSULTANT**, and the **CONSULTANT** is willing to provide such services;



**AMENDMENT TO AGREEMENT**

**NOW, THEREFORE**, the parties hereby agree to amend the Agreement as follows:

1. Paragraph 2 of the Agreement, entitled "DUTIES OF THE CONTRACTOR," is hereby amended to include the additional services set forth in **CONSULTANT**'s proposal entitled "Proposal for Additional Construction Support Services" dated January 30, 2019, attached to this Fifth Amendment as Exhibit "A" and incorporated herein by reference.
2. Paragraph 4 of the Agreement, entitled "COMPENSATION," is hereby amended to include additional compensation payable to **CONSULTANT** for the services described in Exhibit "A" to this Fifth Amendment, on a time and materials basis in a not-to-exceed amount of \$30,000, and to change the total not-to-exceed amount under the Agreement to \$378,737.00. Such additional compensation shall be paid at the hourly rates for **CONSULTANT** set forth in Exhibit "B" attached to this Fifth Amendment and incorporated herein by reference.
3. Except as specifically amended herein, all of the other provisions, terms and obligations of the Agreement between the parties shall remain valid and shall be in full force.

**IN WITNESS WHEREOF**, the parties have executed this Fifth Amendment on the day, month, and year first above written.

**CITY OF SAN RAFAEL**

**SIEGFRIED ENGINEERING, INC.**

\_\_\_\_\_  
JIM SCHUTZ, City Manager

By: \_\_\_\_\_

Name: *Anthony J. Lopes*  
Title of Corporate Officer: *PRESIDENT*

ATTEST:

\_\_\_\_\_  
LINDSAY LARA, City Clerk

and  
By: *A Merrill*

APPROVED AS TO FORM:

Name: *Adam Merrill*  
Title of Corporate Officer: *Secretary*

\_\_\_\_\_  
ROBERT F. EPSTEIN, City Attorney



January 30, 2019

Hunter Young, P.E.  
City of San Rafael, Department of Public Works  
111 Morpew Street  
San Rafael, CA 94901

**RE: GRAND AVENUE PATHWAY CONNECTOR PROJECT  
SAN RAFAEL, CALIFORNIA  
PROPOSAL FOR ADDITIONAL CONSTRUCTION SUPPORT SERVICES**

Dear Hunter;

We appreciate the opportunity to assist you with the construction of the Grand Avenue Pathway Connector Project. Our scope of work, based on previous emails, meetings and phone conversations, is as follows.

**I. Scope of Work**

**TASK 1 – ADDITIONAL CONSTRUCTION SUPPORT SERVICES**

Siegfried shall perform the following additional services as directed by the City of San Rafael.

- Assist contractor with plan interpretation during construction.
- Prepare minor addendums to clarify plan intent or respond to RFIs.
- Review site development submittals and shop drawings related to the design scope of work.
- Attend construction meetings with the contractor in person or by phone at the City's direction.

Siegfried will provide assistance during construction. This generally consists of field reviews and up to ten (10) meetings, as requested by the City, responding to requests for information (RFI), and reviewing contractor submittals.

Siegfried and, if necessary, appropriate design team members will attend the following meetings:

- Construction coordination meetings in the field when necessary
- Provide site review at project completion to aid City in developing a final site punch list

If questions arise during construction over the intent of the design, Siegfried and appropriate design team members will respond to such questions in a timely fashion. Siegfried will review, comment, and make recommendations on the contractor's material submittals and shop drawings.

---

**Corporate Office**

3244 Brookside Rd., Ste. 100  
Stockton, CA 95219  
t: 209.943.2021 f: 209.942.0214

**San Jose**

111 N. Market St., Ste. 300  
San Jose, CA 95113  
t: 408.754.2021

**Sacramento**

111 Scripps Drive  
Sacramento, CA 95825  
t: 916.520.2777



II. Fee Proposal

<u>Task</u>	<u>Description</u>	<u>Total</u>
1	Additional Engineering Services during Construction	<b>\$30,000</b>
<b>TOTAL NOT TO EXCEED Fee for Task 1 including reimbursable expenses</b>		<b><u>\$30,000</u></b>

We look forward to working with you and your team. If you have any questions regarding this proposal, please do not hesitate to call me directly. We will commence work upon your authorization to proceed and the execution of your contract documents.

Sincerely,

A handwritten signature in blue ink that reads "Adam K. Merrill".

Adam K. Merrill, QSD, QSP, P.E.  
SIEGFRIED

**Corporate Office**

3244 Brookside Rd., Ste. 100  
Stockton, CA 95219  
t: 209.943.2021 f: 209.942.0214

**San Jose**

111 N. Market St., Ste. 300  
San Jose, CA 95113  
t: 408.754.2021

**Sacramento**

111 Scripps Drive  
Sacramento, CA 95825  
t: 916.520.2777



# Charge Rate Schedule

## Contact Information

### Stockton

3244 Brookside Road, Ste. 100  
Stockton, CA 95219  
209.943.2021

### Sacramento

109 Scripps Drive  
Sacramento, CA 95825  
916.520.2777

### San Jose

111 North Market Street, Ste. 300  
San Jose, CA 95113  
408.754.2021

### Modesto

100 Sycamore Ave, Ste. 100  
Modesto, CA 95354  
209.762.3580

» [siegfriedeng.com](http://siegfriedeng.com)

## Professional Classification

## Hourly Rate

Managing Principal	\$245
Principal	\$219
Senior Associate	\$193
Associate	\$172
Project Engineer	\$163
Engineer II	\$149
Engineer I	\$133
Project Landscape Architect	\$161
Landscape Architect II	\$139
Landscape Architect I	\$114
Project Land Surveyor	\$163
Surveyor II	\$147
Surveyor I	\$129
Survey Crew, 2 Person	\$265
Survey Crew, 1 Person	\$175
Instrumentman	\$188
Chainman/Rodman	\$129
Senior Technician	\$129
Technician III	\$114
Technician II	\$99
Technician I	\$84
Expert Witness	\$400
Clerical	\$77

## Reimbursable Expenses

Printing, Copying, Materials, Etc.	Cost + 10%
Mileage	In accordance with Federal Standard Mileage Reimbursement Rates

## Notes

1. Instrumentman and Chainman rates apply to services requiring Prevailing Wage Rates for work performed at the job site.
2. These rates are effective May 28, 2018 and are subject to periodic adjustments.



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

**Department: City Attorney**

**Prepared by: Lauren Monson,  
Deputy City Attorney**

**City Manager Approval:** \_\_\_\_\_

**TOPIC: Detachment Request and Proposed Tax Sharing Agreement with Town of Ross for 400 Upper Toyon Drive**

**SUBJECT: PRESENTATION OF PROPOSED TAX SHARING AGREEMENT WITH TOWN OF ROSS**

**EXECUTIVE SUMMARY:**

The property owner for 400 Upper Toyon Drive submitted an application to the Marin Local Agency Formation Commission (LAFCO) to detach from the City of San Rafael (City) and annex into the Town of Ross (Ross). The issue for the Council to consider is related to a tax sharing agreement. When there is a reorganization of city boundaries, both agencies are required to negotiate and agree upon a tax sharing agreement. LAFCO and reorganization rules require the two entities to negotiate in good faith and attempt to come to an agreement on a fair plan for sharing property tax in the future. The City and Ross have been unable to come to an agreement and are at impasse in the negotiations for a tax share agreement. The City presents to Council the last offer from Ross for consideration, acceptance or rejection. Staff has reviewed this offer. While staff acknowledges and appreciates Ross' staff efforts to reach a fair agreement with the City, City staff finds that absorbing the lost tax revenue from this property is not fiscally responsible for San Rafael.

**RECOMMENDATION:**

Staff recommends rejecting the tax share agreement and directs staff to inform LAFCO of Council decision.

**BACKGROUND:**

In March 2017, the property owner for 400 Upper Toyon Drive submitted an application to LAFCO to detach from the City and annex into Ross. The property is currently developed with a single-family home and a privately-maintained road leading to the home site. The site is surrounded by Ross along the entire southern boundary of the site. There are two small properties that are also within the City's jurisdiction and border Ross that are not currently part of this request. (Exhibit B). Those two properties are owned by Marin Municipal Water District (MMWD) and are improved with a water tower.

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**FOR CITY CLERK ONLY**

**File No.:** \_\_\_\_\_

**Council Meeting:** \_\_\_\_\_

**Disposition:** \_\_\_\_\_

In June 2017, the City met with representatives of the Town of Ross to discuss the following tax sharing agreement.

- For the 1st five years following reorganization, the City and Town of Ross would split the property tax revenue 50% - 50%. This would allow the city to maintain property tax for a period of time after detachment.
- After year five, the draft agreement proposed to change the sharing of property tax revenue to 25% (San Rafael) / 75% (Ross).

This proposal was recommended to the Finance Subcommittee on two occasions. Once on July 6, 2017 and again on March 12, 2018. On both occasions the Sub-committee rejected the proposal, questioning the need for the detachment and loss of City tax revenue, given that the City of San Rafael Departments of Fire, Police and Public Works would all still respond to the residence in an emergency to provide services to this property.

At the March 12, 2018 Finance Subcommittee meeting, the property owner attended along with his attorney Riley Hurd and a representative of LAFCO. At that meeting, the property owner provided several reasons for seeking detachment, primarily that confusion about jurisdiction has resulted in difficulty in receiving prompt assistance from San Rafael Police and Fire. Additional bases for seeking detachment are presented in a letter to the Mayor dated November 27, 2017 attached here as Exhibit A.

Assistant City Manager Cristine Alilovich investigated the property owner's concerns presented at the March 12 Finance Committee meeting and found the following:

- 400 Upper Toyon Drive is within the jurisdiction of San Rafael but has a Kentfield mailing address. The City's GIS system recognizes the property as within San Rafael's jurisdictional borders.
- The San Rafael Police Department (SRPD) confirmed that 400 Upper Toyon Drive is in the City's dispatch system as a San Rafael residence. In addition, in approximately March 2018, SRPD tested the 911 system from the property owner's cell phone to ensure that 911 calls come directly to SRPD dispatch. SRPD also provided the property owner with SRPD's 7-digit emergency line as an alternative to 911. Public Works responds to calls at this property, but the limit of San Rafael's maintenance responsibility generally ends at the intersection of Upper Toyon and Makin Grade.
- 400 Upper Toyon Drive shares a long private driveway with other properties on Upper Toyon Drive beyond the intersection of Upper Toyon Drive and Makin Grade.
- The 2017 slide referenced in Exhibit A was along that private driveway, not a City street. Additionally, the 2017 storm resulted in many emergency calls to the City's Public Works departments who were responding to more critical requests at the time the Upper Toyon call for service came in. Staff prioritized the demand for services and followed up with the property owner, even though the slide was not on a City maintained street, however it did take a number of days due to the volume of calls during that particular storm.

In October 2018, the property owner sent a request via his attorney for the City to continue to negotiate a tax-share agreement with the Town of Ross and to agendize the matter for a future City Council meeting. In response to that request, in January 2019, the City Manager reached out to the Ross Town Manager to further negotiate a tax share agreement resulting in less ongoing loss of taxes for the City of San Rafael. Primary consideration to San Rafael in these negotiations was the ongoing tax loss, particularly in view of the continuing costs that will be incurred by the City related to this property regardless whether it is located in Ross or San Rafael. For example, there will be continued costs to

maintain the only access road to the property, as well as the loss of additional City taxes such as the Library and Paramedic Special Tax, despite the property owner still having access to these services. The Town of Ross was unable to provide an increased tax share agreement that would alleviate City Staff's financial concerns and reached impasse on the tax share agreement as of January 25, 2019.

Staff now brings the June 2017 proposal from the Town of Ross to the full Council for consideration.

**ANALYSIS:**

LAFCO's oversight includes the following duties:

- To review and approve or disapprove proposals for changes in the boundaries or organization of cities and special districts in the county (including annexations to or detachments from cities and districts, incorporation of cities, formation of districts, and the dissolution, consolidation or merger of special districts), applications for activation of special district latent powers, and applications to provide service outside of a city or district boundary;
- To establish and periodically update the sphere of influence or planned service area boundary for each city and special district;
- To initiate and assist in studies of existing local government agencies with the goal of improving the efficiency and reducing the costs of providing urban services; and
- To provide assistance to other governmental agencies and the public concerning changes in local government organization and boundaries.

A detachment from a city is considered a "change of organization" within LAFCO's purview and LAFCO has broad discretion to determine "changes of organization". The request for detachment for 400 Upper Toyon Drive is an individual request for detachment and according to LAFCO would not be tied or linked to a greater study or assessment of other unincorporated pockets in San Rafael. Any assessment of other unincorporated areas would need to be processed through a separate application, initiated by either the City or the property owners in that area. LAFCO has indicated that if an application was received, they would be willing to consider the detachment of other lots on Upper Toyon Drive that are part of San Rafael, such as the water tower properties, to determine whether they should also be included in the detachment request. However, an assessment of parcels not adjacent to this individual request is not appropriate at this time and would not be considered by LAFCO as part of the 400 Upper Toyon request.

For this individual request for detachment, the Town of Ross and San Rafael must negotiate in good faith on an exchange of property tax revenues. This piece of the law limits LAFCO's ability to move forward unless or until a tax share agreement is reached. LAFCO may not continue processing an application for detachment unless the affected local agencies reach a property tax agreement. However, the City has a statutory duty to enter into genuine and vigorous negotiations with the Town of Ross concerning the property tax revenue exchange agreement, even though there is no statutory duty to reach agreement. (Rev. & Tax. Code § 99(b), *Greenwood Addition Homeowners Assn. v. City of San Marino*, 14 Cal. App. 4th 1360 (1993)). When / If a property tax agreement is reached, that agreement would need to be approved by resolution and then LAFCO can proceed with processing the detachment.<sup>1</sup>

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<sup>1</sup> Revenue and Taxation code section 99, subdivision (b)(6) provides that "Notwithstanding any other provision of law, the [LAFCO] shall not issue a certificate of filing pursuant to Section 56828 of the Government Code until the local agencies included in the property tax revenue exchange negotiation, within the 30-day negotiation period, present resolutions adopted by each such county and city whereby each county and city agrees to accept the exchange of property tax revenues." *Greenwood Addition Homeowners Assn. v. City of San Marino*, 14 Cal. App. 4th 1360, 1364 (1993).

An evaluation of revenue and services related to this property conducted by the City Manager and Finance departments shows that loss of tax income from detachment of this property would ultimately result in an approximate \$4,300 annual loss, including \$183 in library parcel, storm run-off and paramedic tax. However, the City would continue to maintain the road (Upper Toyon) leading to this property and would continue to maintain it even after detachment. The City of San Rafael Fire Department (e.g., both fire and paramedic service) would still respond to this property as part of mutual aid responses between the two entities and given the traffic patterns and location of the street leading to Upper Toyon it is extremely likely that it would be a San Rafael fire engine or ambulance responding to any 911 call at that address.

Although the current tax share agreement proposed by the Town of Ross provides some reimbursement to the City, staff is concerned with maintaining fiscal responsibility and has concluded that the City cannot afford to lose any property tax revenue.

**FISCAL IMPACT:**

Below is an overview of the total tax loss from the detachment of this property from the City. The City currently receives approximately \$5,700 annually in taxes from 400 Upper Toyon Road, including property tax, storm run-off, library parcel tax, and paramedic tax. Under the proposed tax share agreement, the shared amount only includes the base property tax and that amount would be reduced to approximately \$2,796 annually for the first five years and starting the sixth year be reduced to approximately \$1,398. The City permanently loses access to the storm run-off, library parcel, and paramedic tax after the detachment.

18/19 Tax Roll	Current San		
	Rafael Revenue	Scenario: 50/50	Scenario: 25/75
BASE TAX	5,592.85	2,796.43	1,398.21
SCHOOL BONDS	-	-	-
HEALTH BONDS	-	-	-
MS MOSQUITO #1	-	-	-
ROSS ESD SCH PRCLTX	-	-	-
SAN RAFAEL SANI	-	-	-
SAN RAFAEL-RUNOFF	28.00	-	-
MARINEMERGENCY RADIO	-	-	-
MMWD-FIREFLOW	-	-	-
S.F. BAY RESTOR AUTH	-	-	-
SAN RAFAEL LIBRARY	60.74	-	-
SR PARAMEDIC-CITY	95.00	-	-
<b>Total Tax:</b>	<b>5,776.59</b>	<b>2,796.43</b>	<b>1,398.21</b>

**OPTIONS:**

The City Council has the following options to consider on this matter:

1. Staff recommends rejecting the tax share agreement.
2. Accept the proposed tax share agreement, and direct staff to return with a resolution for the tax share agreement.
3. Direct staff to return with more information.



**RECOMMENDED ACTION:**

By motion, staff recommends rejecting the tax share agreement and directs staff to inform LAFCO of Council decision.

**ATTACHMENTS:**

1. Exhibit A - November 27, 2017 Letter to Mayor from Riley Hurd
2. Exhibit B – Parcel Maps of relevant area
3. Exhibit C – List of properties within San Rafael accessed and served by Upper Toyon



Ragghianti|Freitas LLP

Attorneys at Law

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telephone 415.453.9433  
facsimile 415.453.8269  
www.rflawllp.com

Riley F. Hurd III  
rhurd@rflawllp.com

November 27, 2017

**Via E-Mail Only**

Mayor Gary Phillips  
[Gary.Phillips@cityofsanrafael.org](mailto:Gary.Phillips@cityofsanrafael.org)

**Re: 400 Upper Toyon Drive - Annexation**

Dear Mayor Phillips:

Thank you for taking the time to meet with Gary Ragghianti and myself prior to the Thanksgiving break. As we discussed, I am providing you with some additional information regarding the proposed annexation of 400 Upper Toyon Drive from San Rafael to Ross. After reading the information herein, it is my hope that you will agree that this annexation is the proper step to take from a land-use planning perspective, as well as to ensure the efficient provision of municipal services. After speaking at length with my client, I can state that this was never a pre-planned or financially motivated request, it is one born out of necessity. Also, after a detailed analysis, this annexation is fully recommended by LAFCO.

**Background**

400 Upper Toyon Drive is the northernmost occupied parcel on Upper Toyon Drive. The lot is entirely surrounded by open space and the Town of Ross. **All residential parcels within a quarter mile drive in either direction are in Ross** (the empty 404 and 440 Upper Toyon, as well as 341, 337, and 325 Upper Toyon). One of the reasons for this layout is that the unoccupied parcels adjacent to 400 Upper Toyon, which are now 404 and 440 Upper Toyon, were detached and annexed to Ross between 2004 and 2008.

Importantly, 400 Upper Toyon **has a Kentfield mailing address and zip code (94904), and is located in the Ross School District.** In nearly all aspects, this parcel is generally not categorized as if it were in San Rafael.



## Ragghianti|Freitas LLP

Page 2 of 4

**Issues with Municipal Services**

The location of 400 Upper Toyon in an area that appears to be Ross, but is actually San Rafael, has created confusion in the provision of municipal services, including police and fire response, which is a serious life/safety issue. At our meeting, you requested specific examples of this confusion, so I am providing 4 examples, and have carefully chosen ones that can be fully corroborated by the public records:

1. **January 22, 2016** - The owners noticed several bicycles chained to the gate on the fire trail that bisects 400 Upper Toyon. They then discovered a camp stove and pots and pans next to the PG&E transformer on the east end of their property. This was quite alarming; the winter of 2016 was dry, and someone cooking with flame next to electrical utility equipment could cause a disaster. They called the Ross Police Department, and they responded promptly. However, when the Ross police arrived, they determined that the bicycles and stove were across the city line into San Rafael, and they were unwilling to cross the line and remove them. They said they would call the San Rafael police department to expedite a response.
  - a. After hearing nothing, my clients called the San Rafael police department, and the dispatcher initially stated that **there is no such thing as a 400 block of Upper Toyon, insisting that everything past 320 Upper Toyon is in the Town of Ross.** San Rafael police eventually responded 5 days later.
2. **September 19, 2016** - A suspicious man parked in front of 400 Upper Toyon and began to walk around. The Ross police responded, as the man and his car were in Ross (all of Toyon is actually in Ross Town limits). However, when the Ross police arrived, they had a disagreement regarding jurisdiction. **The officers were not aware that the road is entirely in Ross**, and felt it should be a San Rafael matter, even though the subject of the complaint was in Ross.
3. **January 11, 2017** - A mudslide closed Upper Toyon Drive in the morning. My clients were therefore entirely cut off, as there is only one exit from their property. They called 911 at 8:50am, and were routed through a variety of dispatchers - San Rafael, Central Marin fire, etc. At 1:56pm, having seen no action, they again tried San Rafael, and were put through to the public works department and left a message. Still stuck, they tried the fire department at 1:59pm, and was told they or public works would return the call later.



## Ragghianti | Freitas LLP

Page 3 of 4

- a. After tracking down a private contractor who cut a path through the mud that night, they received a return call from San Rafael 7 days later on January 18, asking if they still needed help.
4. **March 19, 2017** - A tree that had been weakened by the January mudslide fell into Upper Toyon, closing the road again. After some debate about which jurisdiction had the tree, the Ross fire department sawed it and removed it.

The isolated, island-like, nature of this property is causing serious, and dangerous delays in police, fire, and municipal responses. All other homes up there are in Ross, the street is in Ross, and many City staffers believe it to be in Ross. Annexation will address this issue before something even more serious occurs.

### Money

At our meeting, we had a frank discussion about money, property taxes, and the motivations for this request. Prior to the issues recited above, my clients had never even heard of annexation or LAFCO. It was a process suggested to them due to the issues they were having, not something intended to add value. Their home was marketed and sold as a Kentfield address, which it is, and as being in the Ross School District, which it is. Only an incredibly informed buyer would be able to ascertain that the APN prefix means it is in San Rafael. This is not a financially driven request, it is one of safety.

If annexed to Ross, San Rafael would no longer be responsible for servicing this single home, at the end of a winding road, on top of a hill, separate from all other San Rafael homes. **The cost to the City of San Rafael of serving this home far exceeds the property tax revenue generated from its value.** For these reasons, LAFCO strongly believes annexation is proper here.

### Conclusion

With these facts in mind, we would request that this matter be brought back to the San Rafael finance committee and reconsidered. LAFCO staff is prepared to attend this meeting and further explain their position. It makes sense for all parties involved, including the City of San Rafael, to reconcile the misclassification of this detached lot.

Thank you for taking the time to reconsider this important matter.



Ragghianti | Freitas LLP

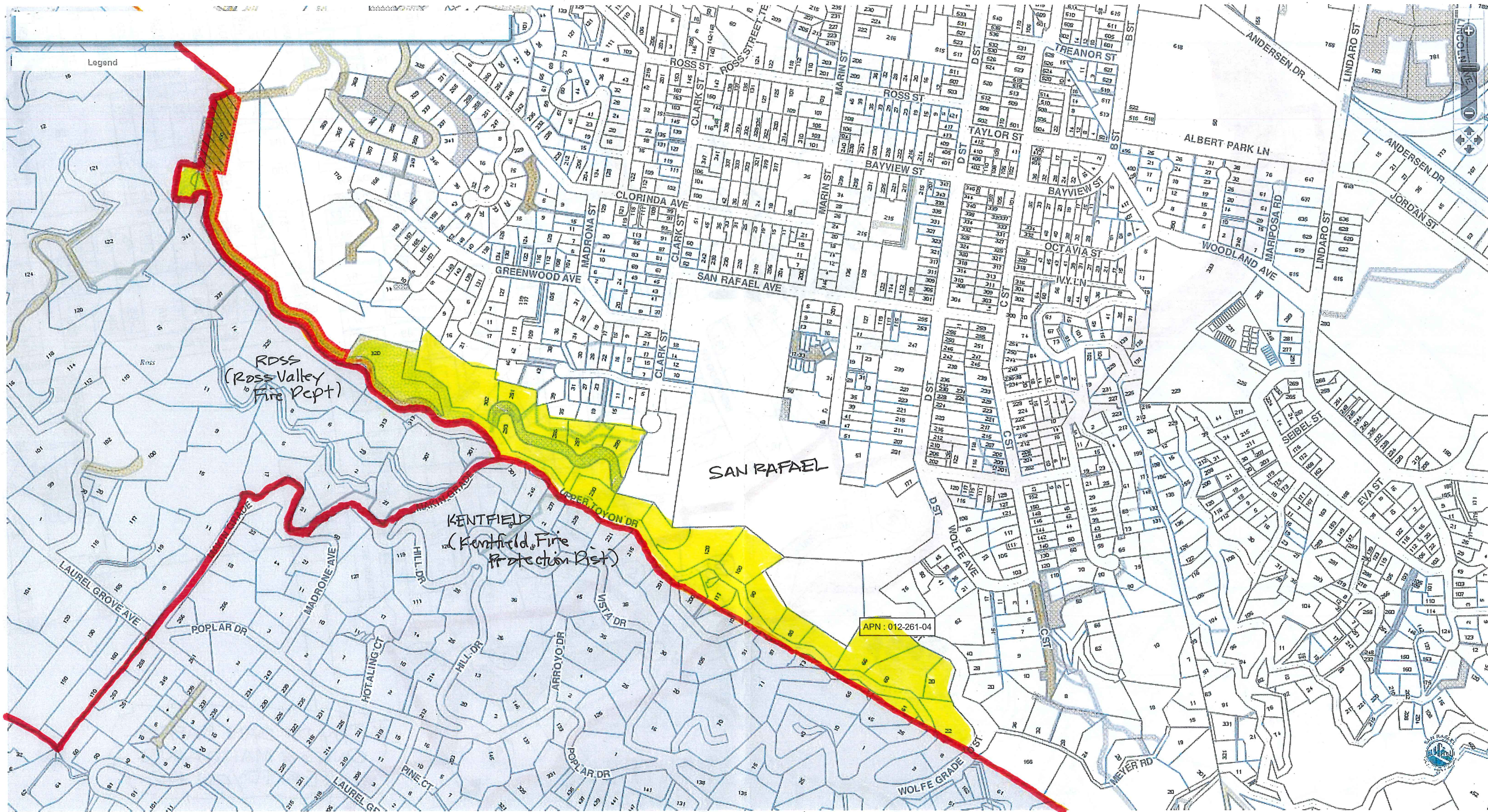
Page 4 of 4

Very Truly Yours,

A handwritten signature in blue ink, reading "Riley F. Hurd III". The signature is written in a cursive, flowing style.

Riley F. Hurd III





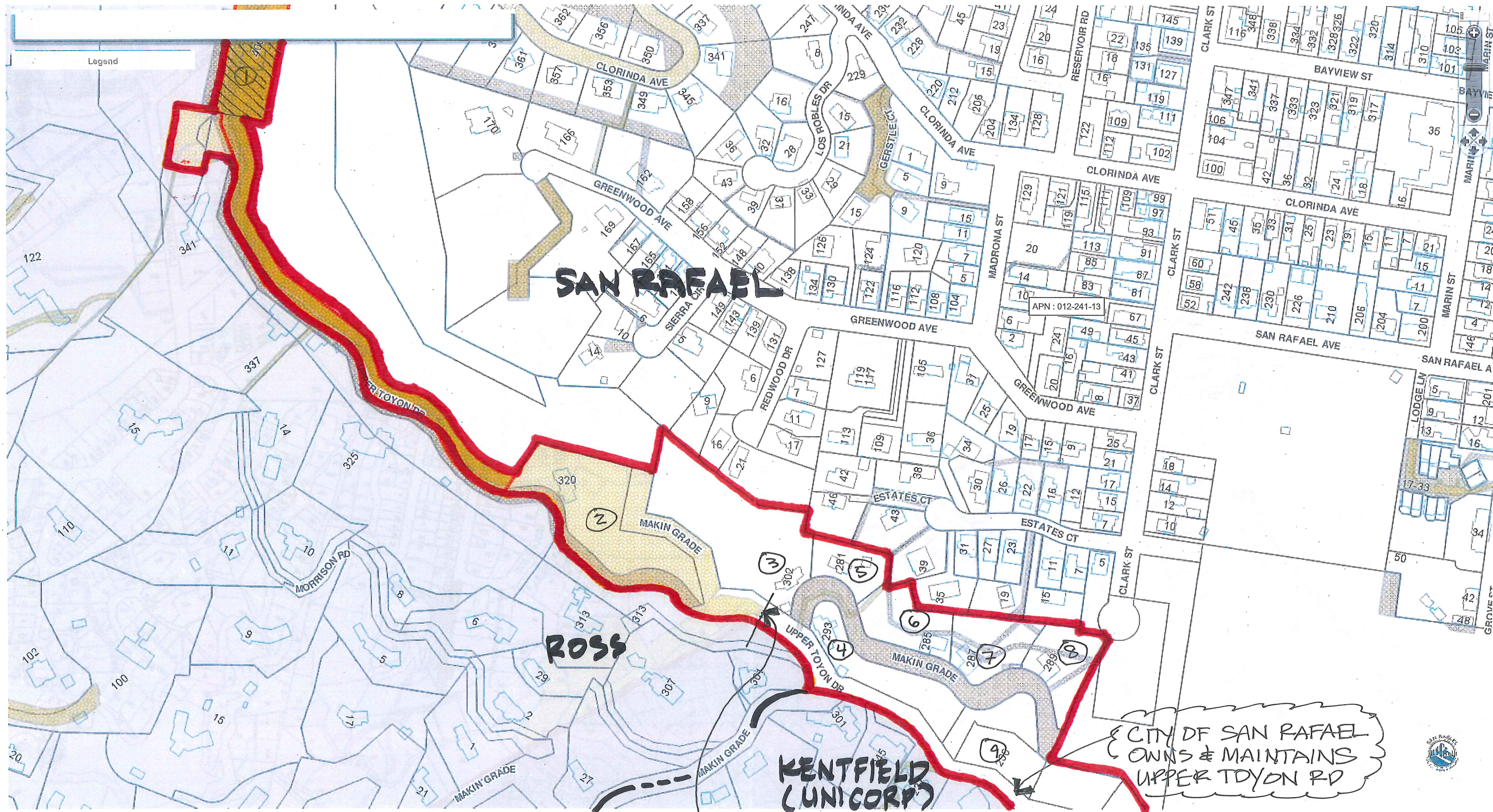
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**SAN RAFAEL**

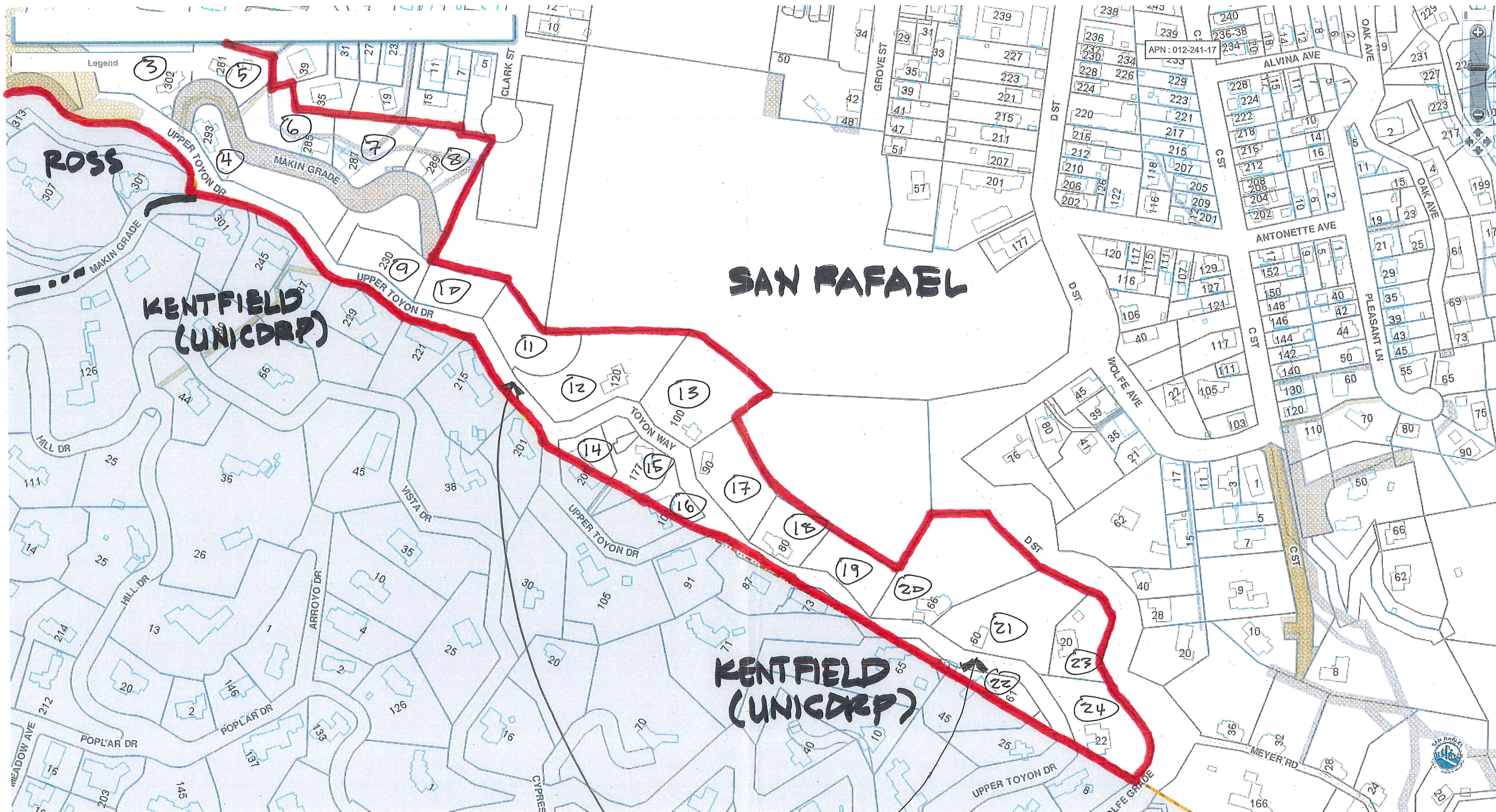
**ROSS**

**KENTFIELD (UNICORP)**

CITY OF SAN RAFAEL  
 OWNS & MAINTAINS  
 UPPER TOYON RD

CITY OF SAN RAFAEL  
 OWNERSHIP + MAINTENANCE  
 OF UPPER TOYON ROAD TERMINATES HERE





CITY OF SAN RAFAEL  
OWNS & MAINTAINS  
UPPER TOYON RD



Properties within the City of San Rafael Accessed and Served by Upper Toyon  
 Exhibit D to Staff Report - February 19, 2019

Exhibit C

	A	B	C	D	E	F	G	H
1	Jurisdiction	Number	Address	APN	Sewer	Schools	Police	Fire
2	San Rafael	1	400 Upper Toyon	012-121-28	SRSD	Ross Valley	San Rafael	San Rafael
3	San Rafael	2	320 Upper Toyon	012-121-29	SRSD	Ross Valley	San Rafael	San Rafael
4	San Rafael	3	302 Upper Toyon	012-121-45	SRSD	Ross Valley	San Rafael	San Rafael
5	San Rafael	4	293 Makin Grade	012-241-28	SRSD	Ross Valley	San Rafael	San Rafael
6	San Rafael	5	281 Makin Grade	012-241-29	SRSD	Ross Valley	San Rafael	San Rafael
7	San Rafael	6	285 Makin Grade	012-241-30	SRSD	Ross Valley	San Rafael	San Rafael
8	San Rafael	7	287 Makin Grade	012-241-39	SRSD	Ross Valley	San Rafael	San Rafael
9	San Rafael	8	289 Makin Grade	012-241-40	SRSD	Ross Valley	San Rafael	San Rafael
10	San Rafael	9	230 Upper Toyon	012-241-26	RVSD	Ross Valley	San Rafael	San Rafael
11	San Rafael	10	221 Upper Toyon	012-261-01	RVSD	Ross Valley	San Rafael	San Rafael
12	San Rafael	11	--- Upper Toyon	012-261-02		Ross Valley	San Rafael	San Rafael
13	San Rafael	12	120 Toyon Way	012-261-09	RVSD	Ross Valley	San Rafael	San Rafael
14	San Rafael	13	100 Toyon Way	012-261-10	RVSD	Ross Valley	San Rafael	San Rafael
15	San Rafael	14	200 Toyon Way	012-263-09	RVSD	Ross Valley	San Rafael	San Rafael
16	San Rafael	15	177 Toyon Way	012-263-10	RVSD	Ross Valley	San Rafael	San Rafael
17	San Rafael	16	101 Toyon Way	012-263-11	RVSD	Ross Valley	San Rafael	San Rafael
18	San Rafael	17	90 Upper Toyon	012-261-07	RVSD	Ross Valley	San Rafael	San Rafael
19	San Rafael	18	80 Upper Toyon	012-261-08		Ross Valley	San Rafael	San Rafael
20	San Rafael	19	--- Upper Toyon	012-261-07	RVSD	Ross Valley	San Rafael	San Rafael
21	San Rafael	20	66 Upper Toyon	012-272-08	RVSD	Ross Valley	San Rafael	San Rafael
22	San Rafael	21	60 Upper Toyon	012-272-07	RVSD	Ross Valley	San Rafael	San Rafael
23	San Rafael	22	61 Upper Toyon	012-273-03	SRSD	Ross Valley	San Rafael	San Rafael
24	San Rafael	23	20 Upper Toyon	012-272-04	SRSD	SRCS	San Rafael	San Rafael
25	San Rafael	24	22 Upper Toyon	012-272-03	SRSD	SRCS	San Rafael	San Rafael



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

Department: Community Development

*Paul A. Jensen*

Prepared by: Paul Jensen (EG),  
Community Development Director

City Manager Approval: \_\_\_\_\_

*AS*

**TOPIC: SHORT-TERM RENTALS**

**SUBJECT: INFORMATIONAL REPORT ON SHORT-TERM RENTAL APPROACHES, REGULATIONS, BEST PRACTICES AND OPTIONS; FILE NO. P18-013**

**RECOMMENDATION:**

Accept report and provide direction to staff on next steps relating to one of three short-term rental policy options.

**EXECUTIVE SUMMARY:**

On August 20, 2018, the City Council was presented with [a comprehensive report on a broad range of housing topics and issues](#). The City Council directed staff to follow-up on four, specific housing issues, including short-term rentals (STR). Regarding this topic, staff was directed to return with an informational report on potential short-term rental policy options. This report presents information on STR data, best practices for regulations and enforcement, transient occupancy tax (TOT) revenue projections, program costs, and project cost-recovery fees. It also presents for the following STR policy options:

- Option 1: Status quo- continue with no regulation, permitting or active enforcement
- Option 2: Minimal enforcement - including regulation, permitting, and tax and fee collection
- Option 3: STR ban - including prohibition and enforcement

Staff estimates that the City could collect between approximately \$18,000 and 105,000 in potential transient occupancy tax (TOT) from active STRs in a given year. On average, TOT collection could be approximately \$39,000 annually. The wide range in potential TOT is due to changes in factors including fluctuations in demand and changes in the number of active STR listings. Depending on the three policy options referenced above, first-year program costs would range between \$0 to approximately \$63,800 and ongoing costs ranging between approximately \$5,100 and \$46,900 annually. Staff estimates that for Options 1 and 3, the program would not have a positive balance due to the lack of TOT collected or a program fee to cover costs. Staff estimates for Option 2 that if a program fee is charged, the program would have a positive balance.

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**FOR CITY CLERK ONLY**

File No.: \_\_\_\_\_

Council Meeting: \_\_\_\_\_

Disposition: \_\_\_\_\_

**BACKGROUND:**

**A. Introduction**

The STR phenomenon has mushroomed in the last several years. The phenomenon is the result of: a) the high demand for and cost of housing in the Bay Area; b) tourism and the high cost of lodging; and c) the residential property owner's struggle to make their extremely high mortgage payment. Regarding the latter, the property owner will readily admit that the rent from their short-term rental supplements their income and mortgage payment.

Opinions range regarding STRs but often fall into one of two categories. Those in the "pro" camp believe it is a way to address the housing crisis and offer a financial subsidy to the struggling property owner. Those in the "con" camp find that short-term rentals are a nuisance and are changing the character of and commercializing our single-family neighborhoods, thus reducing our permanent housing stock.

At present, the City of San Rafael does not prohibit, regulate, tax or enforce short-term rentals. In 2016, as part of [the review of the Junior Dwelling Unit \(JDU\) ordinance](#), the City Council directed staff to monitor short-term rental activity. Staff was directed to periodically report back to the City Council on the growth and trends for this activity and to log complaints. To assist in this effort, on June 10, 2016, the City entered into a three-year contract with Host Compliance, a STR data and enforcement service to provide the following short-term rental monitoring services:

- Provide the City with trend monitoring, a monthly report that is sent via e-mail showing the active short-term rental listings;
- Provide the City with a monthly report on the address identification of the short-term listing;
- License the City to hosted software for access to the number and location of short-term rentals.

Staff has prepared this informational report to follow up on staff direction from the City Council and to analyze potential actions that can be taken to regulate short term rentals.

**B. Existing Short-Term Rentals Activity in San Rafael**

**1. Active Rentals**

Based on listing level data provided by Host Compliance as of December 2018, there are 286 active short-term rentals in San Rafael.<sup>1</sup> As seen in **Table 1**, the largest STR property type—as described by the host—is a three-bedroom house, with 75 listings. The second largest property type is a four-bedroom house, with 53 listings, followed by zero-bedroom apartment/condominiums, with 29 listings.

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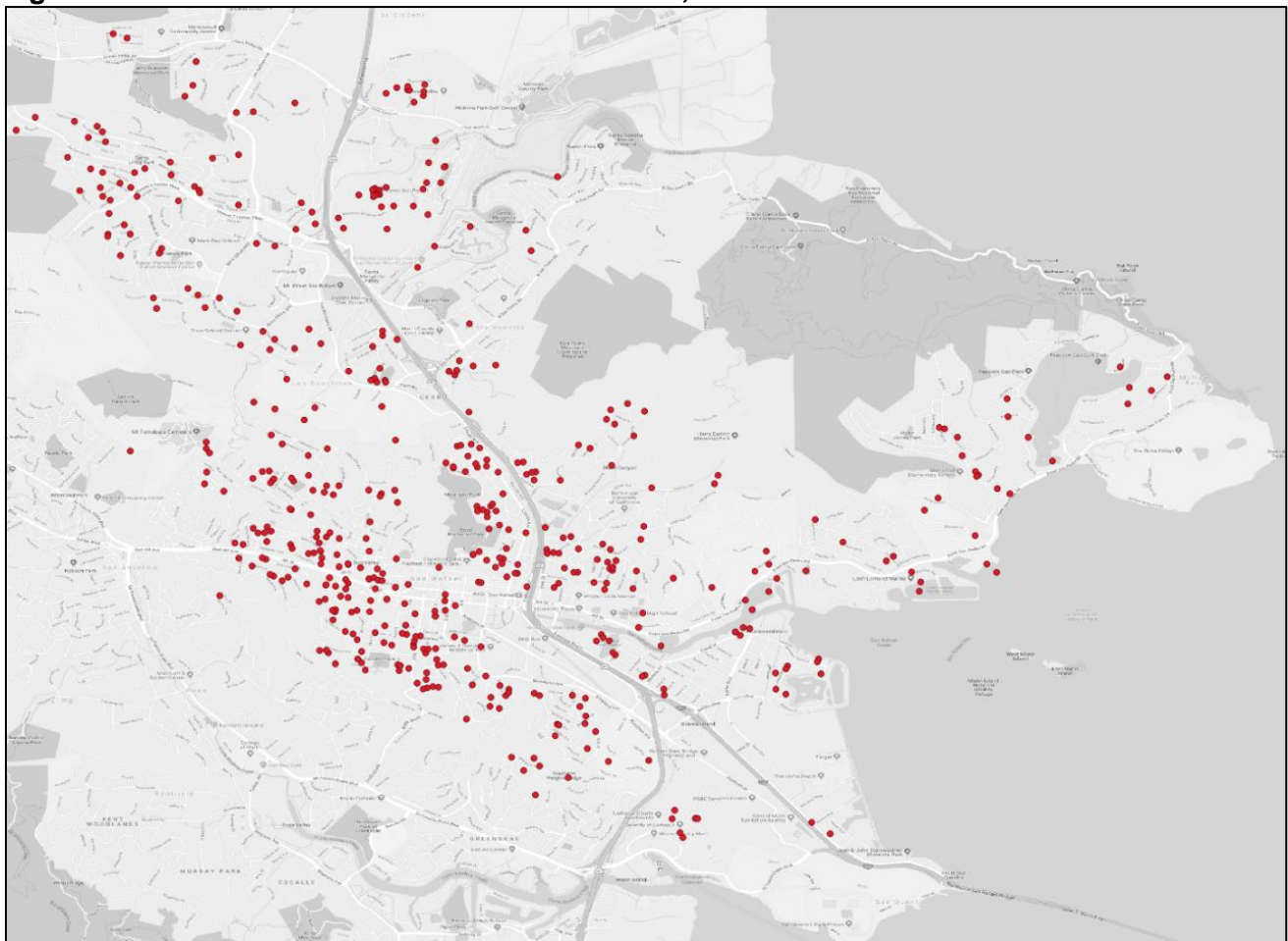
<sup>1</sup> Note, that while 286 active rentals have been identified as of December 2018, this number represents a high-end estimate as some of these listings may be active but may not have been rented. The number of active rentals fluctuates, but the number of listings has steadily increased since staff has monitored. At on-set of monitoring in 2016, the active listing count was 150.

**Table 1. Listings by Host-described Property Type for 2018**

Property Type	Bedrooms								Total
	0	1	2	3	4	5	6	7	
Apartment/ Condominium	29	-	4	8	6	1	2	-	<b>50</b>
Bed & Breakfast	-	-	-	-	-	2	1	-	<b>3</b>
Boat	1	-	-	-	-	-	-	-	<b>1</b>
Camper/RV/Campsite	1	-	-	1	-	-	-	-	<b>2</b>
Cottage	-	-	3	2	-	-	-	-	<b>5</b>
Guest suite	2	-	1	5	6	3	1	-	<b>18</b>
Guesthouse	-	-	3	3	3	-	-	-	<b>9</b>
Hotel Room	4	-	-	-	-	-	-	-	<b>4</b>
House	4	2	24	75	53	15	5	1	<b>179</b>
In-law	-	-	-	1	1	-	-	-	<b>2</b>
Other	-	-	-	1	1	1	1	-	<b>4</b>
Studio	-	-	1	1	-	-	-	-	<b>2</b>
Townhouse	1	-	2	4	-	-	-	-	<b>7</b>
<b>Total</b>	<b>42</b>	<b>2</b>	<b>38</b>	<b>101</b>	<b>70</b>	<b>22</b>	<b>10</b>	<b>1</b>	<b>286</b>

Note: Listing descriptions are self-provided by the host and are not City prescribed.

**Figure 1. Active Short-Term Rentals in San Rafael, 2018**



As seen in **Figure 1** (above), short-term rentals are relatively geographically distributed equally across the City, with the highest concentrations in the West End, Gerstle Park, and Dominican neighborhoods.

## **2. Short-Term Rental Complaints Logged to Date**

Over the past three years of monitoring, staff has tracked and recorded inquiries and complaints about short-term rentals. During this time frame, the City received less than one dozen inquiries and complaints. The following is a summary of the types of complaints that have been received:

- Multiple short-term rentals on the same street or very closely spaced; concerns about change in neighborhood character, traffic, safety and quality of life.
- Shared driveway and other shared infrastructure with a neighboring property where there is an active short-term rental. Concerns about potential liability, which is shared by both property owners. Guests are unaware of the protocols that are typically respected between the property owners such as designated parking areas and cleared driveway access.
- Concerns that short-term rentals reduce the housing supply for long term residents; impacts to the hotel/motel business owners and increase the cost of rental housing.
- Neighbor actively (almost every night) using home as a short-term rental; noise and evening parties. Guests often mistake their home and knocked on the neighbor's door, sometimes late at night.
- Regarding general inquiries, most have been focused on questions about permitting, business license and taxes.

## **C. Short Term Rental Approaches and Regulations**

In 2018, the Community Development Department commissioned the following "white papers" to present general data on and best practices for STR approaches, regulation and taxing.

- [Overview of leading regulatory and enforcement approaches used by local governments to achieve common short-term rental related policy objectives, Prepared by Host Compliance, LLC, April 2018](#)
- [Short-Term Rentals in San Rafael, Prepared by Allison Griffin, November 2018](#)

A STR webpage has been created on the City of San Rafael website. This webpage, which can be accessed [here](#) includes links to both white papers. Some of the key information on regulations (e.g., approaches in neighboring Marin jurisdictions) and best practices on enforcement, fees, fines and penalties is presented below.

### **1. STR Regulations in Marin Jurisdictions**

As part of the *Short-Term Rentals in San Rafael* report, current STR regulations across jurisdictions in Marin were compiled in a table and presented in **Attachment A** of this report. The following is a summary of this information:

- The Town of Tiburon and the City of Sausalito explicitly prohibit STRs. Several cities/towns (Belvedere, Corte Madera) prohibit STRs by default (Zoning Code does not address) or by interpretation (Larkspur). The Town of Fairfax and City of Novato prohibit STRs unless a Use Permit is issued.
- Like San Rafael, the Towns of Ross and San Anselmo have "no explicit STR regulations."
- The County of Marin and the City of Mill Valley permit, regulate, and tax STRs. The City of Mill Valley does not allow Accessory Dwelling Units (ADU) built after January 2017 to be used as a STR.

- The table presents the percentage of active STRs to total housing units. This percentage ranges from 0.41% for the City of Larkspur to 4.23% for the City of Mill Valley. Assuming the current, active 286 STRs in San Rafael, this total equates to 1.2% of the total housing units Citywide (23,900 total housing units).

As follow-up to the STR survey, staff contacted City of Mill Valley to discuss their permitting structure, enforcement and other experiences with their program. The oversight and management of the Mill Valley program is done by their Finance Department (registration, business license and TOT) with enforcement provided by Host Compliance. According to Mill Valley staff, since 2015, they collected \$450,000 in TOT. Further, it was reported that the Host Compliance enforcement service has been successful and there has been no need for City Code Enforcement staff intervention.

## ***2. Best Practices for Enforcement to Consider***

As part of the commissioned white papers, the following policy design best practices for potential STR regulation in San Rafael were identified:

- Employ a passive “complaint-based” enforcement strategy rather than prohibiting or banning STRs outright;
- Expand the existing Transit Occupancy Tax (TOT) ordinance to include residential STRs;
- Adopt an STR ordinance including explicit requirements for occupancy maximums, parking minimums, interior and exterior signage, host training, and local contacts;
- Develop a program with sufficient enforcement staffing to ensure consistent enforcement and compliance monitoring of STR as soon as an ordinance is passed;
- Develop an easy and streamlined online permit application and tax collection process; and
- Collaborate with existing STR Platforms—such as Airbnb or VRBO/HomeAway—to aid in host registration and TOT collection and remittance.

## ***3. Fee Options to Consider***

The following fee options were also identified through the white papers and additional staff research:

- Registration Fee- Registration fees are the most common form of cost-recovery methods used for STR programs. Simply, registration fees are set to recover all or a portion of projected costs incurred by the jurisdiction to operate the program, including start-up costs. These fees are charged per rental at the time a host registers their rental. Some programs are set up to charge different fees based upon the type of rental, for instance applying higher registration fees for commercial rentals or lower fees for partial home rentals. Some jurisdictions charge lower registration fees that are not completely cost-recovery to encourage host compliance.
- Renewal Fee- A renewal fee is charged upon the renewal of a host’s registration. Often these fees are significantly less than the registration fee and reflect on-going program cost. Like registration fees, renewal fees may not be cost-recovery in order to encourage ongoing compliance.
- Business License- This option requires STR hosts to maintain a business license in order to operate. Two versions of this option exist. The first version requires the host to obtain only a business license to comply, either paying for the license at the City’s existing rate or a new created STR class. The second version requires hosts to obtain a business license in addition to a registration fee. Often the license is incorporated into the registration fee to streamline the payment process. In this version, finance-related staffing costs would be covered under the business license fee.

- **Platform Fees-** Some jurisdictions charge a platform fee to the company used by the hosts to operate their STR. These platforms would include Airbnb, HomeAway, or VRBO.

In addition to levying fees on hosts, waiving fees can be useful as an incentive to register. Several jurisdictions have charged no or reduced fees during early enrollment periods to encourage host compliance.

#### **4. Fine and Penalty Options to Consider**

As discussed above, San Rafael has received few complaints regarding STRs. Even with a low complaint rate, the use of STR fines and penalties can be used to incentivize compliance and host registration. The following fine and penalty options have been utilized in other jurisdictions:

- **Use Existing Fine Schedule-** The most common process for imposing fines and penalties for STR programs is to utilize the existing fine schedule for hotels and motels. Since most programs use hotel and motel definitions for STRs to collect and remit TOT, it is logical to use the same fine schedule.
- **Two-Tiered Fine Schedule-** A two-tiered fine schedule includes a set of fines for registered STRs and another set for unregistered STRs. Often the fines for unregistered rentals are substantially higher than the registered rental fine schedule—usually an existing fine schedule. The two-tiered fine schedule is intended to incentivize registration by providing an increased penalty for both failure to register and non-compliance. One example of this fine is setting the fine for the first offense equal to two times the average nightly rental rate multiplied by the minimum night stay. For each additional offense the fine would increase by two times the average nightly rental rate multiplied by the minimum night stay (i.e. second offense- four times, third offense- six times, etc.). Note, penalty maximums are limited to \$500 per violation in San Rafael.
- **Three-Strike Ban-** A three-strike ban is used to identify and remove problematic hosts from the STR program. This ban removes any host that receives three fines or unresolved complaints. A three-strike ban incentivize compliance and quick abatement of complaints. Airbnb has published their support for such a ban.<sup>2</sup>

### **ANALYSIS:**

#### **A. Analysis of Use and Business Status**

One of the questions that has been raised is if a STR is defined as a “business.” As noted above, STRs are currently not regulated or enforced, and the host/property owner is not required to obtain a City business license. San Rafael Municipal Code Chapter 10.04 (Business License Tax), Section 14.04.010E, F and G includes the following definitions:

*E. Business. As used in this chapter, "business" includes professions, trades, occupations, operation and/or ownership of an apartment, hotel, rooming house, or other living accommodations, and all other callings, whether or not carried on for profit and livelihood.*

*F. "Engaged in business" means conducting, managing, or carrying on of any business by any person as owner, officer, agent, manager, employee, servant or lessee.*

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<sup>2</sup> [Airbnb Policy Tool Chest](#)



G. *Evidence of Doing Business. When any person shall by the use of signs, circulars, cards, telephone books or newspapers, advertise or hold out or represent that he is in business in the city, or when any person holds an active license or permit issued by a governmental agency indicating that he is in business in the city or when any person makes a sale, takes an order, renders a commercial service or performs any other similar act within the city, and such person fails to deny by a statement given under penalty of perjury to the administrator that he is not conducting a business in the city after being requested to do so by the administrator, then these facts shall be considered prima facie evidence that he is conducting a business in the city.*

For the City to issue a business license, it must first be determined that the business is allowed in the zoning district for which it is proposed. San Rafael Municipal Code Section 14.03.030 (Zoning Code) presents land use definitions that are used for making this determination. This Code section does not include a definition for “short-term rentals.” However, the Zoning Code includes the following land use definitions for “home occupations” and “hotels,” which have been loosely-linked to STRs:

*"Home occupation" means an accessory use of a dwelling unit, conducted entirely within the dwelling unit, carried on by one (1) or more persons, all of whom reside within the dwelling unit, as further defined in [Section 14.16.220](#), Home occupations.*

*"Hotel" means any building or portion thereof containing multiple guest rooms designed for compensation, primarily for the accommodation of transient travelers, with eating, drinking, banquet and recreational facilities related to the hotel use, but not including those facilities defined as residential care facilities.*

At present, these definitions and use types do not fit squarely-in-the-box for defining a STR. Depending on the policy direction chosen by the City Council, changes may be needed to the Zoning Code to include STRs. Changes may include: a) adding a definition for STR as an allowed use; or b) exempting, from the Zoning Code, STR listings that are registered and permitted through a potential STR program. If a STR program is pursued, staff will return to City Council for consideration of any required changes, if necessary.

The City's Transient Occupancy Tax (“TOT”) provisions are set forth in Chapter 3.20 of the San Rafael Municipal Code. By its terms, the tax is collected from “transients” staying at a “hotel.” Section 3.20.020 defines “hotel” and “transient” as follows:

*“Hotel” means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof.”*

*“Transient” means any person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right or access, license or other agreement for a period of thirty (30) consecutive calendar days.”*

The City Attorney has advised that private homes being offered for tenancies for periods of time not exceeding 30 days, would fall within the business tax code definition of a “hotel” and their occupants would qualify as “transients” for purposes of the TOT. A specific definition added to the business tax code for “short-term rentals” is not needed in order for the City to collect TOT. However, if a STR is defined as a hotel for business tax and TOT purposes, then the Zoning Code land use definition for hotel would have



to be amended as it currently defines such a use as containing “multiple guest rooms.” Further, it would be advisable to amend the home occupation provisions of the Zoning Code to explicitly not apply to STRs.

If STRs fall under the land use definition of a hotel, and the host/property owner is collecting income from the rental, then it is considered a “business.” Meeting the definition of a hotel is critical in defining STRs as a business. If a property owner merely chooses to rent out rooms in their home as a shared rental and/or to share household expenses, then it is not a business by this definition.

**B. Estimated TOT Revenue from STRs**

Staff estimates that the City could generate revenues between approximately \$18,000 and 105,000 in TOT in a given year. On average, TOT collection could be approximately \$39,000 annually (**Table 2**). The City charges a ten (10) percent TOT and a two (2) percent Marin County Business Improvement District Tax Assessment (MCBIDCA), which is remitted to the County. The wide range in potential TOT is due to changes in factors including fluctuations in demand and changes in the number of active STR listings. A full methodology for how staff accounted for these natural fluctuations and determined the estimated TOT revenue range is available in **Attachment B**.

**Table 2. Overall Estimated Annual Tax Revenue from Short Term Rentals**

	Estimated Average Annual Tax		
	Low*	Mean	High*
Overall Estimated "Entire Home" Host Revenue	\$ 144,171	\$ 323,487	\$ 865,273
Overall Estimated "Partial Home" Host Revenue	\$ 36,340	\$ 73,894	\$ 186,559
<b>Total STR Host Revenue</b>	<b>\$ 180,510</b>	<b>\$ 397,381</b>	<b>\$ 1,051,832</b>
<b>Estimated TOT Collected (10%)</b>	<b>\$ 18,051</b>	<b>\$ 39,738</b>	<b>\$ 105,183</b>
<b>Estimated MCBIDTA Collected (2%)</b>	<b>\$ 3,610</b>	<b>\$ 7,948</b>	<b>\$ 21,037</b>

\* Rental units with an Estimated Average Revenue of \$0 are not included in analysis.  
 \*\* Low= .5 Standard Deviations below the mean; High= 1.5 Standard Deviations below the mean.

Staff used data from 2014 to 2018 to estimate the potential average revenue generated by STRs in San Rafael.<sup>3</sup> Staff calculated revenue estimates by first determining the average number of STR rentals operating in San Rafael, the average nights those STRs were rented, and listings average rate per night. Staff calculated the average annual revenue per listing by multiplying for each year a listing was active:

1. the average number of days rented that year, and
2. the average listing rate per night.

The average annual revenue per listing was then calculated based upon the listing size and multiplied by the number of STR listings of that size with revenue in 2018. Finally, these revenues were then added together to determine the total annual revenue. Staff analyzed “Entire Home” and “Partial Home” rentals separately. This separate analysis was due to a wide distribution of property sizes and rental rates.

**C. Other Program Revenue Options**

In addition to TOT, the City can also leverage fees and fines to help provide program cost-recovery. As described in the white papers commissioned by the Community Development Department, most jurisdictions include fees and fines in their program design, with \$250 as the national average for a STR registration fee. Three main areas of consideration arise when setting fees and fines:

<sup>3</sup> Yearly data on listings estimated days rented and average rate provided by Host Compliance.

1. Fees that are set too high--even if cost-recovery--can deter hosts from compliance, leading to a decrease in TOT revenue collection and increase in enforcement costs;
2. Fees that are easy to pay and understand increase compliance, for example a sign registration and fee that can be completed online and include all required submittals (i.e., registration fees and business license, if different); and
3. Fines that utilize existing fine schedules are easier for staff to implement.

**D. Home-based STRs vs. Investment Properties**

In addition to the potential fiscal impacts of an STR policy for the City, a potential STR policy will also have impacts on STR hosts as well as their neighboring communities.

**1. Impacts on Short Term Rental Hosts**

Staff analyzed active STR listings to better understand the average profile of an STR host using data from Host Compliance and Assessor Records. The assessed value was used as an indicator of the last time the property was sold or major improvements were made to a property. The average assessed value of residential properties being used as an STR is \$862,605 (**Table 3**).<sup>4</sup> While there are STR listings in properties last assessed in 1975, more than half of active STR listings, 148, are in properties assessed since 2010. 2018 was the assessed year with the highest number of STR listings, with 38 listings and an averaged assessed value of \$1,040,121.

**Table 3. Average Assessed Home Value of Active Residential STR Listings by Assessed Year**

<b>Last Assessed Year</b>	<b>Number of Listings</b>	<b>Average Assessed Value</b>
1975-1979	2	\$97,756
1980-1984	-	-
1985-1989	13	\$771,815
1990-1994	8	\$481,610
1995-1999	25	\$447,443
2000-2004	22	\$680,971
2005-2009	50	\$902,726
2010-2014	66*	\$794,220
2014-2018	82	\$1,138,707
<b>Total</b>	<b>274</b>	<b>\$862,605</b>

\* 6 2013 listings were removed due to discrepancies in the assessed value.

STRs also provide a relatively simple and effective way for home owners to generate revenue from their properties. As described earlier, the average “Entire Home” STR listing generates an estimated \$3,441 per year (**Table B.1, Attachment B**), and a “Partial Home” STR list generates \$1,800 per year (**Table B.3, Attachment B**). These figures suggest that STR hosts include both new properties owners with larger mortgage payments and older property owners looking to find ways to generate supplemental income through STRs.

**2. Investment Properties**

In the process of developing this report, staff received numerous calls regarding interest in purchasing properties in San Rafael as investment properties for the explicit purpose to use the property as a

<sup>4</sup> Only properties with a residential land-use were included in this analysis to control for commercial properties (like hotels) listing units on STR platforms.

commercial STR. In these circumstances, the property owner is either an individual or a business acquiring the property to rent full time as an STR. If the owner is local, they may manage the property internally. If the owner is out of the area, they may arrange for a local person or company to manage the property or act as the responsible party in the case of a complaint.

The impacts of these types of properties and owners are two-fold. First, STR investment properties have strictly commercial interests. Operating a residential property as a commercial interest can conflict with zoning requirements as well as skirt regulatory requirements other similar commercial properties—like hotels and motels—are required to meet. Second, STR investment properties remove a long-term housing option from the community. Removing long-term housing options from residential areas can lead to increased housing and rental prices. One academic report estimates a one (1) percent increase in Airbnb listing leads to a 0.018% increase in rents and a 0.026% increase in house prices.<sup>5</sup> While these estimates indicate a small increase, any such increase is acutely felt given the regional housing crisis and can perpetuate displacement in communities that are most sensitive to changes in housing costs.

To address these impacts, some jurisdictions have created STR policies that prohibit strictly commercial use of an STR. Jurisdictions enforce commercial bans by various methods such as either limiting the number of listings a host can operate or requiring only owner-occupied listings. Other jurisdictions have created STR policies that regulate these properties differently. These policies include a required local contact as well as increased fee schedules, inspections, and fines.

#### **E. STR Regulation and Enforcement Options**

Based upon the above analysis, staff has developed three STR policy options for City Council consideration (**Table 4, Page 12**). Host Compliance has also provided a list of key responsibilities by entity based on compliance monitoring services (**Attachment D**). Staff used this list, as well as staffing at other jurisdictions, to estimate staffing requirements for the proposed STR policy options.

##### **1. Compliance Monitoring Software**

Since the widespread adoption of short-term rentals, several companies have developed online software to assist jurisdictions in the implementation of STR regulations. This compliance monitoring software is a highly cost-effective tool for enforcement of any STR policy as it provides a wide range of services at a cost significantly less than that incurred by a jurisdiction developing and maintaining such services internally. These services include:

- **STR Address Identification-** an online dashboard with address and rental information for all identifiable STRs;
- **Compliance Monitoring-** outreach and monitoring of STR listings for compliance with a jurisdiction's zoning and regulations;
- **Permitting and Registration-** online and mobile registration or permitting including collection of payments, signatures, and required documents;
- **Rental Activity Monitoring and Tax Collection-** monitoring of STR listing rental activity and support for TOT collection;
- **Complaint Hotline-** 24/7 staffed hotline for neighbors to report non-emergency STR problems.

Currently, the City has a contract with Host Compliance to perform STR address identification and monitoring. This contract is for \$5,130 per year and expires on June 10, 2019. This contract could be expanded to include compliance monitoring software plus additional services. Alternatively, if the City decides to expand STR monitoring, a competitive bid process could be conducted to assess the capacities of new companies to this space.

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<sup>5</sup> [Barron, Kyle and Kung, Edward and Proserpio, Davide, The Sharing Economy and Housing Affordability: Evidence from Airbnb \(March 29, 2018\).](#)

For this report, staff used cost estimates provided by Host Compliance to project the compliance monitoring costs for the proposed STR program design options. Based upon these estimates, the City would incur the following on-going costs for Compliance Monitoring software for each option:

- Option 1: \$5,130/ year (continue monitoring only; no active enforcement)
- Option 2: \$18,073/ year (all available services)
- Option 3: \$13,073/ year (all available services except permitting and registration)

## **2. Option 1- Status Quo**

The first proposed STR policy option is to maintain the existing efforts. Under this option, staff would continue to passively monitor STR activity in San Rafael, responding to any complaints via the existing complaint-based process. There would be no active enforcement or permitting as well as no collection of STR TOT revenue.

## **3. Option 2- Minimal Enforcement <sup>6</sup>**

The second proposed STR policy option is to develop a new program to collect TOT revenue and a cost-recovery fee with minimal enforcement. This program design would require the following for STR listings and their hosts:

- Host training and self-inspection,
- Local contact for listing,
- Occupancy maximums,
- Parking minimums,
- External signage identifying the unit as a STR,
- Internal emergency contact information, and
- Vegetation Management Plan that addresses potential wildfire risks.

Compliance monitoring software would be used as a cost-effective tool to provide a streamlined registration and monitoring process. Most administrative tasks and day-to-day operations would be conducted automatically through the software or the software provider's staff. Software would include the following services:

- STR Address Identification,
- Compliance Monitoring,
- Online and Mobile Permitting and Registration,
- Rental Activity Monitoring and Tax Collection,
- Complaint Hotline staffed by compliance monitoring software provider.

During the first year of the program, one-time staffing costs would include those associated with program implementation including: program management, legal review, technology development, and permit and TOT processing. Additionally, Staff would develop an STR workshop for hosts to learn about the program requirements. No new staffing would need to be hired.

After the first year of the program, on-going staffing costs would be kept to a minimum. On-going staffing costs would be limited to program management, registration auditing, responding to complaints, and TOT

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<sup>6</sup> Note: Staff did not consider a policy design in which TOT collection and remittance was required, but the City did not maintain a compliance monitoring or enforcement mechanism. Staff chose not to consider this policy design due to the ineffectiveness of these programs evident in the best practices of other jurisdictions. For example, according to the Host Compliance white paper, when launched, the City of Petaluma's STR program operated without a strong compliance monitoring or enforcement mechanism. During the first two years of this program, only 23 permits were issued out of over 200 listings available online. After two years, Petaluma contracted with Host Compliance and over several months was able to increase compliance to about 75% of available listings.

processing. Staff has assumed 120 total staff hours for this proposed STR policy option. In Mill Valley, with a comparable policy, on-going staffing hours are estimated at 80 total hours per year to manage registration and tax collection for 159 STR listings. As noted above, over the past three-years since the launching of their program, Mill Valley has collected approximately \$450,000 in TOT revenue.

**4. Option 3- Short-Term Rental Ban**

The final proposed STR policy option is an outright ban on short-term rentals. Due to the ban, no TOT or program fees would be collected. Compliance monitoring software would be used as a cost-effective tool for monitoring and enforcement. Software would include the following services:

- STR Address Identification,
- Compliance Monitoring,
- Rental Activity Monitoring, and
- Complaint Hotline.

While the software would be able to identify STR listings and notice banned listings, staff would be required to enforce the ban for it to be effective. This increase in enforcement requirements would mean a corresponding increase in on-going code enforcement and program management staffing hours. Hiring of an additional part-time code enforcement officer would likely be necessary. The City of Sausalito currently has an STR ban that is actively enforced. Even with this ban, As of January 8, 2019, Sausalito City staff estimated roughly 157 homes listed on STR platforms.

**Table 4. Short-Term Rental Policy Options**

	<b>Compliance Monitoring</b>	<b>Enforcement</b>	<b>Revenue</b>
<b>Option 1- Status Quo</b> (No regulation or permitting)	- Maintain Existing Address Identification contract with Host Compliance.  - Staff passively monitors STR Activity	- Staff responds to Complaints (i.e. Police for parking and noise violations, Code Enforcement for code violations)	- No TOT Collection  - No Program Fee  - Possible Code Enforcement Citations
<b>Option 2- Minimal Enforcement</b> (Permit, Tax, and Regulate)	- Expand or Acquire a new Compliance Monitoring Software Service to perform: Address Identification, Compliance Monitoring, Permitting and Registration, Rental Activity and Monitoring and Tax Collection, and Complaint Hotline.  - Hosts complete registration, self-inspection, and fee payment online or on mobile phone.	- Staff responds to unresolved complaints filed with the Complaint Hotline.  - Staff performs annual audit of STR submitted documentation.	- TOT Collection and Remittance  - Cost-Recovering Program Fee (including Business License)  - Online Payment for fees and TOT  - Potential Program Fines
<b>Option 3- STR Ban</b> (Prohibit and Enforce)	- Expand or Acquire a new Compliance Monitoring Software Service to perform: Address Identification, Compliance Monitoring, Rental Activity and Monitoring, and Complaint Hotline.  - Staff actively monitors STR Activity	- Staff actively responds to all complaints and addresses identified as an active STR.	- No TOT Collection  - No Program Fee  - Possible Program Fines

**F. Other Measures to Consider for Regulating STRs**

Option 2 would permit tax and regulate short-term rentals. Should this option be pursued, additional property-related regulations may be appropriate to consider for STRs proposed in residential zoning districts. The following are several suggested regulations that could assist in reducing potential neighborhood impacts and nuisances:

- Require a minimum residential lot size.
- Require that the residence comply with the City's minimum off-street parking regulations.
- Limit one STR per residential lot.
- Prohibit STR on residential lots accessed by a driveway that is shared with another neighboring lot(s).
- Require spacing or separation requirements between short-term rentals.
- Prohibit allowing Accessory Dwelling Units from being used as a STR.

The one caution about adding property-related regulations is that they could increase the need for hands-on enforcement. While some of the regulations listed above can be vetted or flagged as part of the initial application screening process, confirmation of compliance would require an actual site inspection by a City inspector.

### **G. Conclusions**

According to Community Development Staff, the status quo (Option 1) has not been problematic. Since staff began monitoring STR activity in 2016, the Community Development Department has received fewer than a dozen complaints and concerns. The projected TOT revenue does not demonstrate a significant increase in net revenue. Additionally, due to a wide range of projected TOT revenue, TOT revenue is unlikely to offset the expenditure without a program fee. Should the City Council decide to move forward toward STR regulation, staff supports Option 2 and strongly opposes pursuing Option 3.

### **COMMUNITY OUTREACH:**

A public notice of this meeting was mailed to stakeholders, agencies and special interest groups 15 days prior to this meeting (**Attachment E**). Those noticed included, among others, all neighborhood associations, the Federation of San Rafael Neighborhoods, housing advocacy groups, and the San Rafael Chamber of Commerce.

As part of the preparation for this report, staff contacted representatives from Airbnb and the San Rafael Chamber of Commerce. This outreach included phone calls reviewing the proposed STR policy design options and to receive feedback.

Representatives from Airbnb expressed willingness to work with the City to develop a minimal enforcement policy design. Airbnb representatives stressed the importance of developing a streamlined and transparent registration and payment process. Staff also discussed with Airbnb representatives the ability for their platform to automatically collect and remit TOT as is currently done through STR listings regulated by the County of Marin. Staff was informed that the Airbnb platform does have this capability but requires the City to enter into a Voluntary Compliance Agreement (VCA). VCAs are agreements between Airbnb and the jurisdiction stipulating that Airbnb will collect and remit TOT as a lump sum for all STR on their platform.

Staff outreach to the San Rafael Chamber of Commerce included a conversation with Joanne Webster, President and CEO. The Chamber expressed support for maintaining the "status quo" STR approach. If the City decided to move forward with new program design, however, the Chamber of Commerce has indicated that they would be willing to work with the City to develop a streamlined and cost-effective program.

### **FISCAL IMPACT:**

There is no fiscal impact associated with this informational item.

This section outlines the estimated costs associated with the proposed STR policy options. This section also includes estimates for cost-recovery fees and annual balances for the proposed options. If the City Council decides to move forward with a new STR policy, further staffing analysis will be needed to accurately estimate program costs.

**STR Program Option Costs**

**1. Option 1- Status Quo**

Staff estimates no first-year costs for Option 1 as there are no changes proposed to the existing process. Staff estimates on-going costs of \$5,130 to cover the costs associated with the Host Compliance contract, under the existing contract amount (**Table C.1, Attachment C**).

**2. Option 2 - Minimal Enforcement**

Staff estimates first-year costs for Option 2 at approximately \$34,907. These staffing costs include first-year program management, permit processing, technology development, and expanded compliance monitoring software services. Additionally, these costs include staff time for conducting an STR workshop and for the City Attorney to develop a VCA with STR platforms. Staff estimates on-going costs of approximately \$26,500 (**Table C.2, Attachment C**). These costs would cover expanding STR Compliance Monitoring Services as well as on-going staffing costs as described in the **Analysis** section.

**3. Option 3 – Short-Term Rental Ban**

Staff estimates first-year costs for Option 3 at approximately \$60,835. These staffing costs include first-year program management, technology development, and expanded compliance monitoring software services. Additionally, these costs include staff time for conducting an STR workshop and for the City Attorney to develop an appropriate ban ordinance. Staff estimates on-going costs of approximately \$46,900 (**Table C.4, Attachment C**). These costs would cover expanding STR Compliance Monitoring Services as well as on-going staffing costs as described in the **Analysis** section.

**Cost-Recovery Fee**

Based upon the estimated program costs, Staff estimates a 100 percent cost-recovering registration fee, paid at the time of initial registration, of \$156 for Option 2. Staff estimates a 100 percent cost-recovering renewal fee, paid every year after initial registration, of \$119 for Option 2 based upon an average of 224 units active in the last 10 months. Fees were not calculated for Option 1 and Option 3 (**Table 6**).

**Table 6. Estimated Cost-Recovery STR Program Fees**

<b>Option</b>	<b>Units*</b>	<b>Initial Registration Fee</b>	<b>Renewal Fee</b>
1) Status Quo	224	-	-
2) Minimal Enforcement	224	\$156	\$119
3) STR Ban	-	-	-

\* Unique STR properties in San Rafael in past 10 months as identified by Host Compliance

**Overall Estimate of Revenues/Expenditures**

Staff analyzed annual balances for all options given the low, mean, and high estimate for TOT revenue collection presented in the **Analysis** section. Staff presented both year one and ongoing annual balances with estimates for if the program collected a cost-recovery fee or if no fees were collected using TOT as the only program revenue (**Table 7**). Staff included this “no fees collected” estimate to determine a program would be cost-recovery without a program fee. As discussed in the **Background** section, some jurisdictions charge no program fee or one that is not fully cost-recovery due to the additional TOT revenue expected.

Staff estimates that for Options 1 and 3, the program will not have a positive balance under any scenario due to the lack of TOT collected or a program fee. For Option 2, staff estimates that in all scenarios where a program fee is charged, the program would have a positive balance equal to the TOT collected. Under the scenario where no fees are collected, Option 2 would have a positive Year One and on-going balance under the mean and high estimate. Option 2 would have a negative Year One and on-going balance under the low estimate.

**Table 7. Estimated Cost-Recovery STR Program Fees**

<b>Low Estimate</b>									
<b>Option</b>	<b>Revenue</b>			<b>Expenditures</b>		<b>Annual Balance</b>			
	Year 1- Fees	Ongoing- Fees	TOT	Year 1	Ongoing	<u>Year 1</u>		<u>Ongoing</u>	
						With Fees Collected*	No Fees Collected (TOT Only)	With Fees Collected*	No Fees Collected (TOT Only)
1) Status Quo	\$0	\$0	\$0	\$0	\$5,130	\$0	\$0	-\$5,130	-\$5,130
2) Minimal Enforcement	\$34,907	\$26,576	\$18,051	\$34,907	\$26,576	\$18,051	-\$16,856	\$18,051	-\$8,525
3) STR Ban	\$0	\$0	\$0	\$60,835	\$46,948	-\$60,835	-\$60,835	-\$46,948	-\$46,948
<b>Mean Estimate</b>									
<b>Option</b>	<b>Revenue</b>			<b>Expenditures</b>		<b>Annual Balance</b>			
	Year 1- Fees	Ongoing- Fees	TOT	Year 1	Ongoing	<u>Year 1</u>		<u>Ongoing</u>	
						With Fees Collected*	No Fees Collected (TOT Only)	With Fees Collected*	No Fees Collected (TOT Only)
1) Status Quo	\$0	\$0	\$0	\$0	\$5,130	\$0	\$0	-\$5,130	-\$5,130
2) Minimal Enforcement	\$34,907	\$26,576	\$39,738	\$34,907	\$26,576	\$39,738	\$4,831	\$39,738	\$13,163
3) STR Ban	\$0	\$0	\$0	\$60,835	\$46,948	-\$60,835	-\$60,835	-\$46,948	-\$46,948
<b>High Estimate</b>									
<b>Option</b>	<b>Revenue</b>			<b>Expenditures</b>		<b>Annual Balance</b>			
	Year 1- Fees	Ongoing- Fees	TOT	Year 1	Ongoing	<u>Year 1</u>		<u>Ongoing</u>	
						With Fees Collected*	No Fees Collected (TOT Only)	With Fees Collected*	No Fees Collected (TOT Only)
1) Status Quo	\$0	\$0	\$0	\$0	\$5,130	\$0	\$0	-\$5,130	-\$5,130
2) Minimal Enforcement	\$34,907	\$26,576	\$105,183	\$34,907	\$26,576	\$105,183	\$70,276	\$105,183	\$78,608
3) STR Ban	\$0	\$0	\$0	\$60,835	\$46,948	-\$60,835	-\$60,835	-\$46,948	-\$46,948

\* Program fees are calculated as cost-recovering for program expenses. If fees are collected, Year 1 and Ongoing program balances would be the same as they reflect the TOT Revenue collected that year.

**OPTIONS:**

The City Council has the following options to consider on the matter:

- Accept the report and direct staff to return with program design and draft ordinance relating to one of three short-term rental policy options;
- Direct staff to return with more information on one or more short-term rental policy options;
- Accept the report with no follow-up action; or
- Reject the report.

**RECOMMENDED ACTION:**

Accept report and provide direction to staff on next steps relating to one of three short-term rental policy options.

**ATTACHMENTS:**

- A. STR Regulations in Marin County, November 2018
- B. Estimated TOT Revenue Range Methodology & Detailed Analysis
- C. Estimated Fiscal Impacts of STR Program Options
- D. Key Responsibilities by Entity Based on Compliance Monitoring Services
- E. Public Notice of Short-Term Rental Information Report to City Council



**ATTACHMENT A: STR Regulations in Marin Jurisdictions (as of November 2018)**

<b>Jurisdiction</b> (* TOT collected on STRs or Hotels)	<b>Active Listings</b>	<b>Total Housing Units</b>	<b>STR % of Total Housing</b>	<b>Current Regulations</b>
<b>City of Sausalito*</b>	150 (Includes Marin Headlands and Muir Beach)	4,676	3.05%	<ul style="list-style-type: none"> <li>• Prohibits STRs based on existing regulations.</li> <li>• City voted to appropriate funds for a full-time enforcement officer dedicated only to STRs (complaint-driven)</li> <li>• STR permit and regulate pilot program proposal rejected by the city (Feb 2017).</li> <li>• Issue is to be discussed in Sausalito General Plan update according to city's website.</li> </ul>
<b>Town of Tiburon*</b>	51 (includes Belvedere)	4,207	1.21%	<ul style="list-style-type: none"> <li>• Explicitly bans STRs in 2015 ordinance.</li> <li>• Complaint driven enforcement.</li> </ul>
<b>City of Belvedere</b>	(see above)	1,079	N/A	<ul style="list-style-type: none"> <li>• Prohibits STRs by default in existing permissive zoning code.</li> <li>• Complaint driven enforcement.</li> <li>• City does not collect Transient Occupancy Tax (TOT) and has no plans to do so in the future.</li> </ul>
<b>City of Mill Valley*</b>	267	6,298	4.23%	<ul style="list-style-type: none"> <li>• Permits and regulates residential STRs based on existing code: requires business license, collects TOT</li> <li>• Does not allow accessory dwelling units built after Jan 2017 to be used as STRs.</li> <li>• Complaint driven enforcement with using existing staff and Host Compliance STR monitoring services</li> </ul>
<b>City of Corte Madera*</b>	30	4,081	0.73%	<ul style="list-style-type: none"> <li>• Prohibits STRs by default in existing permissive zoning code</li> <li>• Complaint driven enforcement</li> <li>• As of a June 4, 2018 Town Council directed city staff to address Short Term Rentals in a draft ordinance</li> </ul>
<b>City of Larkspur*</b>	25	6,093	0.41%	<ul style="list-style-type: none"> <li>• Prohibits STRs in residential zoning districts as an official interpretation of existing zoning code (Oct 2015)</li> <li>• Complaint driven code enforcement</li> <li>• Currently considering defining STRs and prohibiting advertisement of them in omnibus zoning update (2018-2019)</li> </ul>
<b>Town of Ross</b>	6	876	0.68%	<ul style="list-style-type: none"> <li>• No explicit STR regulations, any complaints are addressed on an individual basis through code enforcement</li> <li>• Town Council voted to continue taking a "Wait and See" approach after a fall 2016 community survey indicated that the town was divided on whether to prohibit, permit and regulate, or continue unconditionally permitting STRs.</li> <li>• Town does not collect TOT, would require major voter approval to do so</li> </ul>
<b>Town of San Anselmo</b>	80	5,464	1.46%	<ul style="list-style-type: none"> <li>• No explicit STR regulations, other than requiring a business permit</li> <li>• Ambiguous in town code whether STRs are considered a residential or commercial use: STRs generally permitted as a residential use as long breakfast is not served. No TOT collected. This was put on local ballot in 2009 and voted down because it was thought to single the only hotel in San Anselmo: The San Anselmo Inn</li> </ul>
<b>Town of Fairfax*</b>	70	3,564	1.96%	<ul style="list-style-type: none"> <li>• Prohibits STRs by default in zoning code unless a Special Use permit is obtained.</li> <li>• Planning Staff is currently in the process of updating zoning ordinance to conditionally allow STRs and collect TOT (as of 2017). A community survey indicated that 55% of residents are in favor of allowing accessory dwelling units to be used as STRs</li> </ul>
<b>City of Novato*</b>	107	22,457	0.47%	<ul style="list-style-type: none"> <li>• Prohibits STRs unless issued a special use permit as a boarding house or bed and breakfast</li> <li>• Complaint driven code enforcement</li> </ul>
<b>County of Marin*</b>	Data Unavailable	112,259	N/A	<ul style="list-style-type: none"> <li>• Currently, STRs are unconditionally allowed in unincorporated areas of Marin County. County planning staff is currently in the process of drafting a third version of a proposed ordinance to regulate STRs in unincorporated Marin</li> </ul>

Source: City of San Rafael staff interviews and research.

## ATTACHMENT B- Estimated TOT Revenue Range Methodology & Detailed Analysis

### *Estimated TOT Revenue Range Methodology*

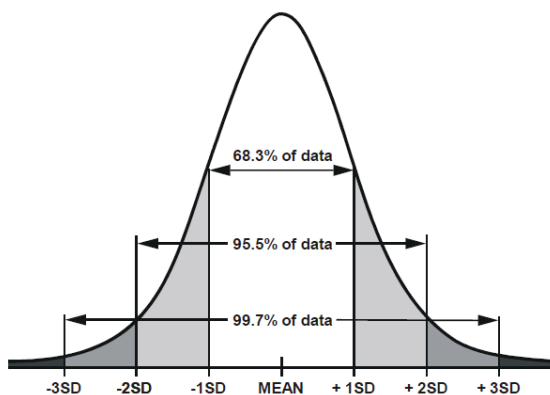
Staff calculated the standard deviation to estimate the potential variation in the average revenue projections. Staff used the standard deviation to account for natural fluctuations in the vacation rental market including:

- changes in active listings,
- changes in demand for STRs,
- changes in rental rates, and
- rentals that may not be identified.

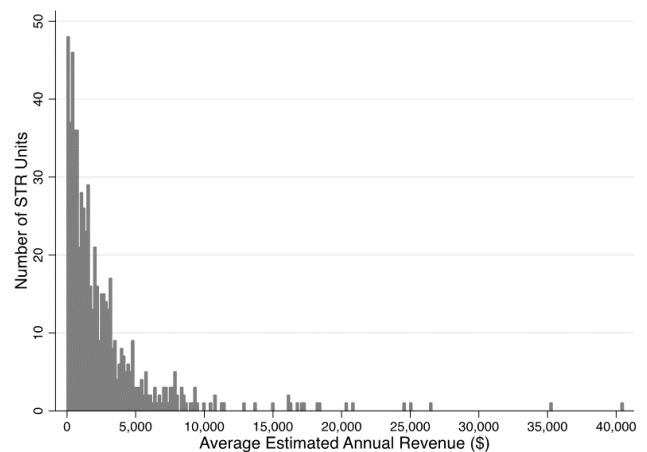
Accounting for these variations is important because it will impact the amount of STR revenue in a given year. Staff used the standard deviation to determine a low-end and a high-end estimate for STR revenue projections.

Typically, 95% of the variation in an estimate is within two standard deviations from the mean (**Figure B.1**). Staff found that for STR revenue was not normally--meaning the same amount of variation above and below the mean. Instead the STR revenue indicated more variation above the mean (**Figure B.2**). Staff accounted for this variation by calculating the low-end revenue estimate as the mean minus one-half (0.5) a standard deviation. The high-end revenue estimate was calculated as the mean plus one-and-one-half (1.5) standard deviation. Together, this range suggests that there is a 95% likelihood that annual STR revenue will fall between the low-end and high-end revenue estimate.

**Figure B.1. Example of Normal Distribution**



**Figure B.2. Distribution of Average Annual STR Revenue by Listing, San Rafael 2014-2018**



*Estimated TOT Revenue from "Entire Home" STR*

Staff estimated average an average annual revenue for "Entire Home" rentals of \$3,441 per listing. This estimate was based upon 353 total listings between 2014 and 2018. "Entire Home" rentals were rented on average 20 nights per year at an average rate of \$212 per night (Table B.1).

**Table B.1. Estimate Average Annual Revenue per Unit for "Entire Home" Short Term Rentals from 2014-2018 in San Rafael**

Bedrooms	Number of Rentals*	Est. Avg. Nights Rented/ Year	Avg. Listing Rate/ Night	Estimated Average Annual Revenue/ Standard Deviation			
				Low*	Mean	High*	Standard Deviation
0	42	18	\$ 117	\$1,007	\$2,000	\$ 4,980	\$ 1,986
1	4	15	\$ 129	\$ 918	\$1,903	\$ 4,861	\$ 1,972
2	47	26	\$ 146	\$1,645	\$3,574	\$ 9,359	\$ 3,857
3	136	17	\$ 236	\$1,158	\$3,139	\$ 9,082	\$ 3,962
4	96	21	\$ 230	\$1,643	\$3,317	\$ 8,342	\$ 3,349
5	17	31	\$ 354	\$5,821	\$9,433	\$ 20,270	\$ 7,224
6	10	16	\$ 215	\$ -	\$4,930	\$ 21,001	\$ 10,714
7	1	1	\$ 177	\$ 177	\$ 177	\$ 177	\$ -
<b>Overall</b>	<b>353</b>	<b>20</b>	<b>\$ 212</b>	<b>\$1,266</b>	<b>\$3,441</b>	<b>\$ 9,969</b>	<b>\$ 4,351</b>

\* Rental units with an Estimated Average Revenue of \$0 are not included in analysis.

\*\* Low= .5 Standard Deviations below the mean; High= 1.5 Standard Deviations below the mean.

Across all "Entire Home" listings, Staff estimates a total annual revenue of between approximately \$144,000 and \$865,000 (Table B.2). Based upon this revenue, the City could collect between \$14,000 and \$86,000 annually, with an average of \$32,349 in a given year.

**Table B.2. Overall Estimated Annual Revenue for "Entire Home" Short Term Rentals**

Bedrooms	Number of Rentals	Estimated Average Annual Revenue		
		Low*	Mean	High*
0	8	\$ 8,056	\$ 16,002	\$ 39,837
1	1	\$ 918	\$ 1,903	\$ 4,861
2	15	\$ 24,677	\$ 53,604	\$ 140,384
3	32	\$ 37,059	\$ 100,449	\$ 290,619
4	27	\$ 44,355	\$ 89,571	\$ 225,221
5	5	\$ 29,106	\$ 47,166	\$ 101,349
6	3	\$ -	\$ 14,791	\$ 63,002
7	0	\$ -	\$ -	\$ -
<b>Overall</b>	<b>91</b>	<b>\$ 144,171</b>	<b>\$ 323,487</b>	<b>\$ 865,273</b>
<b>Estimated TOT Collected (10%)</b>		<b>\$ 14,417</b>	<b>\$ 32,349</b>	<b>\$ 86,527</b>
<b>Estimated MCBIDTA Collected (2%)</b>		<b>\$ 2,883</b>	<b>\$ 6,470</b>	<b>\$ 17,305</b>

\* Rental units with an Estimated Average Revenue of \$0 are not included in analysis.

\*\* Low= .5 Standard Deviations below the mean; High= 1.5 Standard Deviations below the mean.

*Estimated TOT Revenue from "Partial Home" STR*

Staff estimated average an average annual revenue for "Partial Home" rentals of \$1,800 per listing. This estimate was based upon 167 total listings between 2014 and 2018. "Partial Home" rentals were rented on average 19 nights per year at an average rate of \$96 per night (**Table B.3**).

**Table B.3. Estimate Average Annual Revenue per Unit for "Partial Home" Short Term Rentals from 2014-2018 in San Rafael**

Bedrooms	Number of Rentals*	Est. Avg. Nights Rented/ Year	Avg. Listing Rate/Night	Estimated Average Annual Revenue/ Standard Deviation			
				Low*	Mean	High*	Standard Deviation
0	5	14	\$ 67	\$ 411	\$ 923	\$ 2,461	\$ 1,025
1	5	29	\$ 151	\$3,380	\$4,410	\$ 7,501	\$ 2,061
2	28	20	\$ 93	\$ 576	\$1,985	\$ 6,212	\$ 2,818
3	59	19	\$ 79	\$ 836	\$1,423	\$ 3,183	\$ 1,173
4	44	20	\$ 124	\$ 899	\$2,262	\$ 6,350	\$ 2,725
5	22	15	\$ 87	\$ 797	\$1,296	\$ 2,791	\$ 997
6	4	22	\$ 75	\$1,427	\$1,603	\$ 2,129	\$ 351
7	0	0	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Overall</b>	<b>167</b>	<b>19</b>	<b>\$ 96</b>	<b>\$ 760</b>	<b>\$1,800</b>	<b>\$ 4,921</b>	<b>\$ 2,080</b>

\* Rental units with an Estimated Average Revenue of \$0 are not included in analysis.

\*\* Low= .5 Standard Deviations below the mean; High= 1.5 Standard Deviations below the mean.

Across all "Partial Home" listings, Staff estimates a total annual revenue of between approximately \$36,000 and \$186,500 (**Table B.4**). Based upon this revenue, the City could collect between \$3,600 and \$18,600 annually, with an average of \$7,389 in a given year.

**Table B.4. Overall Estimated Annual Revenue for "Partial Home" Short Term Rentals**

Bedrooms	Number of Rentals	Estimated Average Annual Revenue		
		Low*	Mean	High*
0	2	\$ 821	\$ 1,846	\$ 4,922
1	1	\$ 3,380	\$ 4,410	\$ 7,501
2	6	\$ 3,455	\$ 11,910	\$ 37,275
3	16	\$ 13,382	\$ 22,769	\$ 50,929
4	11	\$ 9,889	\$ 24,879	\$ 69,846
5	5	\$ 3,984	\$ 6,478	\$ 13,957
6	1	\$ 1,427	\$ 1,603	\$ 2,129
7	0	\$ -	\$ -	\$ -
<b>Overall</b>	<b>42</b>	<b>\$ 36,340</b>	<b>\$ 73,894</b>	<b>\$ 186,559</b>
<b>Estimated TOT Collected (10%)</b>		<b>\$ 3,634</b>	<b>\$ 7,389</b>	<b>\$ 18,656</b>
<b>Estimated MCBIDTA Collected (2%)</b>		<b>\$ 727</b>	<b>\$ 1,478</b>	<b>\$ 3,731</b>

\* Rental units with an Estimated Average Revenue of \$0 are not included in analysis.

\*\* Low= .5 Standard Deviations below the mean; High= 1.5 Standard Deviations below the mean.

**ATTACHMENT C- Estimated Fiscal Impacts of STR Program Options**

**Table C.1. Option 1- “Status Quo” Estimated Costs**

	Est. Hours	One Time New	On-Going	
			Existing	New
<u>Host Compliance Services</u>				
Address Identification			\$5,130	
<i>Host Compliance Sub-total</i>			\$5,130	
<u>Implementation Staffing (One-Time)</u>				
Program Management	0	\$0		
City Attorney	0	\$0		
STR Workshop	0	\$0		
Technology development	0	\$0		
Permit Processing	0	\$0		
<u>Community Development Staffing (On-going)</u>				
Program Management	0			\$0
Code Enforcement	0			\$0
<u>Finance Staffing (On-going)</u>				
Business License & TOT Processing	0	\$0		\$0
Business License & TOT Review	0	\$0		\$0
<i>One-Time Staffing Subtotal</i>		\$0		
<i>On-Going Staffing Subtotal</i>				\$0
<b>Total</b>		<b>\$0</b>	<b>\$5,130</b>	

**Table C.2. Option 2- “Minimal Enforcement” Estimated Costs**

	Est. Hours	One Time New	On-Going	
			Existing	New
<u>Host Compliance Services</u>				
Address Identification			\$5,130	
Mobile Registration				\$5,000
Compliance Monitoring				\$2,535
Rental Activity Monitoring				\$3,380
24/7 Dedicated Hotline				\$2,028
<i>Host Compliance Sub-total</i>			\$18,073	
<u>Implementation Staffing (One-Time)</u>				
Program Management	60	\$4,066		
City Attorney	10	\$1,148		
STR Workshop	8	\$542		
Technology development	20	\$1,355		
Permit Processing	20	\$1,220		
<u>Community Development Staffing (On-going)</u>				
Program Management	60			\$4,066
Code Enforcement	20			\$1,440
<u>Finance Staffing (On-going)</u>				
Business License & TOT Processing	20	\$1,205		\$1,205
Business License & TOT Review	20	\$1,793		\$1,793
<i>One-Time Staffing Subtotal</i>		\$8,331		
<i>On-Going Staffing Subtotal</i>				\$8,503
<b>Total</b>		<b>\$8,331</b>	<b>\$26,576</b>	

**Table C.3. Option 3- “STR Ban” Estimated Costs**

	Est. Hours	One Time New	On-Going	
			Existing	New
<u>Host Compliance Services</u>				
Address Identification			\$5,130	
Compliance Monitoring				\$2,535
Rental Activity Monitoring				\$3,380
24/7 Dedicated Hotline				\$2,028
<i>Host Compliance Sub-total</i>			\$13,073	
<u>Implementation Staffing (One-Time)</u>				
Program Management	160	\$10,842		
City Attorney	10	\$1,148		
STR Workshop	8	\$542		
Technology development	20	\$1,355		
Permit Processing	0	\$0		
<u>Community Development Staffing (On-going)</u>				
Program Management	160			\$10,842
Code Enforcement	320			\$23,034
<u>Finance Staffing (On-going)</u>				
Business License & TOT Processing	0	\$0		\$0
Business License & TOT Review	0	\$0		\$0
<i>One-Time Staffing Subtotal</i>		\$13,887		
<i>On-Going Staffing Subtotal</i>			\$33,875	
<b>Total</b>		<b>\$13,887</b>	<b>\$46,948</b>	

## ATTACHMENT D

# Key responsibilities by entity based on services subscribed

Provided by Host Compliance

	Host Compliance	Customer
<b>Mobile Permitting</b>	<ul style="list-style-type: none"> <li>Implementation/customization to allow online registration and payment</li> <li>Automatically collect and verify required documentation such as proofs of permanent residency, landlord permissions, HOA approvals, insurance policies etc.</li> <li>Enable applicants to review and electronically sign applications and affidavits under penalty of perjury</li> <li>Instantly determine and verify permit eligibility by cross-referencing application info with other data sources such as electronic zoning maps, property ownership records, subsidized housing databases, lists of Ellis Act evictions</li> <li>Seamlessly collect debit card, credit card and electronic check (ACH) payments without having to worry about PCI compliance and complex implementation processes</li> <li>Put renewals on autopilot by automatically notifying permit/license holders of renewal deadlines</li> </ul>	<ul style="list-style-type: none"> <li>Provide requirements: questions/documents to be asked, email copies, tax and penalty rules, certificate template(if any) etc.</li> <li>feedback on initial setup and designing of process / one-time</li> <li>sign up for stripe (payment gateway) / one-time</li> <li>audit if host paid using stripe's backend / as needed</li> <li>Provide logo for the city to use on the application</li> <li>Existing payments data per registration if you'd like to collect back taxes(recurring every quarter if still collecting mail-in application)</li> </ul>
<b>Address Identification</b>	<ul style="list-style-type: none"> <li>Creating and maintaining databases of short term rental units</li> <li>Access control management</li> <li>Ongoing support and maintenance security, backup and restoration</li> </ul>	<ul style="list-style-type: none"> <li>sync with HC list of hosts already in compliance or registered manually over the phone/walk-in (recurring)</li> <li>Updated assessor file (recurring every quarter)</li> <li>Updated existing registrations to date (recurring every month if accepting mail-in applications)</li> </ul>
<b>Compliance Monitoring</b>	<ul style="list-style-type: none"> <li>Monitoring of STR properties for zoning and registration compliance</li> <li>Performing proactive/systematic outreach to owners of non-compliant short-term rental units using San Rafael's letter head (additionally we can send FIRST CLASS, CERTIFIED and/or REGISTERED letters)</li> <li>Proof of contact provided in the form of FIRST CLASS, CERTIFIED, and/or REGISTERED letter tracking info (where such data is provided by USPS) and PDF copies of all letters</li> <li>Real-time accessible reporting on zoning, registration and legal non-compliance by address and by owner</li> </ul>	<ul style="list-style-type: none"> <li>Approval on template, messaging and cadence in which to send</li> <li>Provide letter head</li> <li>Sign off on mail recipients lists (recurring every month/when you want to send letters)</li> </ul>

## ATTACHMENT D

### Rental Activity Monitoring and Tax Audit Support

- Integrated mobile-enabled web forms to automate the calculation and collection of transient occupancy taxes and fees
- WEEKLY monitoring of 50+ short-term rental websites for signs of rental activity
- Detailed WEEKLY information on reviews and pricing for each listing
- Consolidated utilization and revenue estimates across listing platforms using ADVANCED REVENUE, UTILIZATION AND TAX FRAUD DETECTION ALGORITHMS
- Continuously updated list of short-term rental owners suspected of non- or under-reporting taxes
- Pro-active, systematic and data-informed outreach to STR operators suspected of under-reporting taxes using Malibu's ADVANCED MULTI-PAGE form letters
- Provide custom reports and analytics to support tax audits and other STR related investigations
- Confirmation on SOW if wanting outbound letter help and/or online tax audit support / one-time
- Reported revenue data (can also be derived from existing payments data if provided)

### 24/7 Dedicated Hotline

- 24/7 staffed telephone and hotline and mobile-enabled web form for neighbors to report non-emergency problems related to STR properties
- Full documentation of all reported incidents
- Digital recordings and written summary reports of all calls
- Ability for neighbors to include photos, video footage and sound recordings to document complaints
- Real-time outreach to owners/managers of problem properties (whenever owner's contact info is known)
- Full documentation of owner/manager outreach activities
- Detailed reporting on incidents
- Automatic escalation of issues to emergency responders where required
- local number available
- Code enforcement to monitor following business day if any complaints warrant their attention
- easy spot check for repeat offenders (some municipalities have a 3 strikes you lose your license rule)
- Local non-emergency police line
- Emails to receive hotline complaint notifications





## Attachment E

### NOTICE OF PUBLIC MEETING – CITY COUNCIL

You are invited to attend the City Council meeting on the following proposed project:

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**PROJECT: INFORMATION REPORT ON SHORT-TERM RENTALS.** The City Council and public will be presented with an informational report on the topic of short-term rentals. This report will include data on the current, active short-term rentals, as well as approaches and best practices for regulating, permitting, enforcing and taxing short-term rentals. The report will include several options for the City Council to consider such as a prohibition on short-term rentals and allowing such rentals with different levels of enforcement. A webpage has been created on the City's website, which includes two "white papers" addressing this topic. This webpage can be accessed at: <https://www.cityofsanrafael.org/short-term-rentals/>. City File No. P18-013

*State law (California Environmental Quality Act) requires that this project be reviewed to determine if a study of potential environmental effects is required. It has been determined that this project, which is an informational report, will have no physical impact on the environment. The Housing Forum is classified as a planning study, which qualifies for a Statutory Exemption from the provisions of the California Environmental Quality Act Guidelines under 14 CRR Section 15262.*

**MEETING DATE/TIME/LOCATION:** Tuesday, February 19, 2019, 7:00 p.m. City Council Chambers, 1400 Fifth Ave at D St, San Rafael, CA

**FOR MORE INFORMATION:** Contact Ethan Guy, Senior Analyst at (415) 485-2392 or [ethan.guy@cityofsanrafael.org](mailto:ethan.guy@cityofsanrafael.org). Mr. Guy's office is located at City Hall, 3<sup>rd</sup> floor, which is open from 8:30 a.m. to 4:30 p.m. on Monday through Thursday, and from 8:30 a.m. to 1:30 p.m. on Friday. You can also view the staff report after 5:00 p.m. on the Friday before the meeting at <http://www.cityofsanrafael.org/meetings>.

**WHAT WILL HAPPEN:** You can comment on the informational report. The City Council will be requested to accept the report and provide direction to staff on the report options. No formal action will be taken by the City Council.

**IF YOU WANT TO COMMENT:** You can send written correspondence by email to the address above, or by mail/hand delivery to the City of San Rafael, 1400 5<sup>th</sup> Avenue, San Rafael, CA 94901.

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At the above time and place, all written correspondence received will be noted and all interested parties will be heard. If you challenge in court the matter described above, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered at, or prior to, the above referenced public hearing (Government Code Section 65009 (b) (2)). Judicial review of an administrative decision of the City Council must be filed with the Court not later than the 90<sup>th</sup> day following the date of the Council's decision. (Code of Civil Procedure Section 1094.6)

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*Sign Language and interpretation and assistive listening devices may be requested by calling (415) 485-3085 (voice) or (415) 485-3198 (TDD) at least 72 hours in advance. Copies of documents are available in accessible formats upon request. Public transportation to City Hall is available through Golden Gate Transit, Line 22 or 23. Para-transit is available by calling Whistlestop Wheels at (415) 454-0964. To allow individuals with environmental illness or multiple chemical sensitivity to attend the meeting/hearing, individuals are requested to refrain from wearing scented products.*