



DATE: July 1, 2026

TO: Honorable Mayor and Council Members

FROM: Glen R. Googins, City Attorney

CC: Charter Review Committee Members

SUBJECT: **Supplemental Information to Facilitate City Council Discussions and Possible Action on a Proposed Comprehensive Charter Update for Presentation to the Voters at the November 2026 Election**

At the Council's June 15th meeting, after deliberating upon the Charter Review Committee's recommendation for a comprehensive Charter update, the City Council directed staff to finalize and bring back for Council action a Charter update ballot measure to include all proposed "Level One" and "Level Two" changes. The Council also directed that the Committee's recommendation for updating the Charter's Public Works provisions be brought back for further discussion and action, potentially as a stand-alone ballot measure. City staff is currently targeting Council's July 7th meeting to bring these items back for further Council consideration and direction. Consistent with the current City Council meeting schedule, and in light of the County Registrar of Voters August 7th filing deadline, any City Council final action for a November 2026 ballot measure would need to occur by no later than July 14th.

In preparation for these upcoming Council meetings, and in response to some of the questions and concerns raised by Council at the June 15th meeting, the purpose of this Memorandum is to provide Council with supplemental information to facilitate its Charter Project evaluation and decision-making process. This information is being provided at the request of the Charter Review Committee (CRC) after their discussions at the June 17th CRC meeting.

Additional information regarding the CRC's recommended Public Works update will also be presented at the July 7th meeting.

Clarification on "Levels" of Proposed Changes and Corresponding Updates to Charter Drafts to More Clearly Identify Levels on a Section-by-Section Basis

At the June 15th Council meeting there were a number of questions regarding the use of "Levels" to characterize the proposed changes to the Charter. Although Council questions and perspectives varied, the common thread was a desire that the Council—and ultimately the voting public—be given the best possible tools to understand what was

being proposed. In response, after discussions at their June 17th meeting, the CRC requested that staff review the proposed Charter drafts, including the “annotations” in the margins that explain many of the proposed changes, to determine if additional, explanatory detail could be added, including more detail on the applicable “Levels” of the proposed changes.

As a reminder, the following system of “Levels” was used to develop and present the CRC’s recommendation to Council for the Charter update project. These “Levels” were developed to be consistent with the original Charter Project purposes, as expressed in the CRC’s adopted bylaws. They were presented in full form to the Council as part of the CRC’s update to Council back in April, and presented again with the CRC’s final report and recommendation at the June 9th City Council meeting.

Level One

Changes in form and appearance that are not substantive. Includes corrections, rewording for clarity, reorganization, elimination of redundancies, consistency of cross-references and numbering, consolidation of sections, elimination of headings for previously deleted sections, rewording of headings to better reflect content, addition of subheadings, defined terms, and other Charter-wide conventions to improve comprehension and usability.

Level Two

Rewordings, deletions and additions intended to add clarity, fill gaps, eliminate ambiguities, replace outdated (no longer used) practices with current “best” practices, and provide consistency with state law. Some changes are “substantive” but are not thought to be that significant or made in sensitive areas so as to warrant consideration as possible separate ballot measures.

Level Three

Changes to policies or procedures that may be considered “best practices” or are otherwise viewed as desirable, and that the CRC recommends, but either involve political sensitivity, or are of such independent significance, that they may justify consideration as separate ballot measures.

To facilitate City Council review of the CRC’s recommendation for a comprehensive Charter update in the context of the above-reference Levels, attached to this Memorandum are **updated versions** of both the underline/strikeout and the “clean” versions of the proposed Charter update. These updated versions now include in the annotations for each proposed change, a color-coded reference to the Level of change being proposed. **Level One** changes are highlighted in **green**. **Level Two** changes are highlighted in **blue**. And any changes that might be considered **Level Three** are highlighted in **yellow**.

As a reminder, these annotations also include references to primary source materials, applicable laws, and the stakeholder input considered by the CRC in proposing these

changes. For the more substantive proposed changes, or proposed changes in politically sensitive areas, many annotations also include summaries of the CRC's thought process that went into the development and ultimate recommendation for each proposed modification. For those looking for the deepest dive into the proposal, it is recommended that reference be made to the underline/strikeout version of the proposal, with particular attention to the comments included in the margins.

Further Thoughts on How to Factor in “Levels” in Determining What should go into any Proposed Ballot Measure

The original idea behind the Levels was that any proposed comprehensive Charter update measure would include, at a minimum, all recommended Level One and Level Two proposals. In addition, also as part of the original Levels concept, was the idea that any comprehensive Charter update proposal would also include any and all Level Three changes that the Council thought desirable and appropriate unless one of two circumstances existed. The first circumstance would be if a proposed Level Three change was thought to be so politically sensitive that, if it were to be included in the comprehensive update measure, it might put voter approval of the Level One and Level Two changes in jeopardy. The second circumstance would be if a proposed Level Three change was considered to be so substantive that it may warrant separate consideration as its own ballot measure. If any Level Three proposal was thought to be too sensitive to include within the comprehensive update proposal, but not important enough to warrant being presented as its own measure, it could simply be excluded.

Currently Excluded “Level Three” Proposals. With its initial actions, it appears that the Council has determined that the CRC's proposed Level Three change to modify voter approved Measure R regarding disposition of parklands (proposed new Section 102.3(b)(4)) is too sensitive to be included in any proposed comprehensive Charter update, and not valuable enough to warrant consideration as a separate ballot measure. The same appears to be true with respect to the CRC's proposed changes to provisions adding qualifications and duties to the elected Chief of Police position (proposed updates to renumbered Sections 201.2 and 202.3). Changes to the civil service provisions (renumbered Sections 701 and 702) that were not approved by the City's bargaining units are not included in the proposed comprehensive update, and not considered for separate treatment, for similar reasons.

Level Three Proposal Under Consideration as a Separate Ballot Measure. With respect to the CRC's proposed update to the City's outdated Public Works provisions (proposed new Section 802.2), the Council is currently considering presentation of this proposal to the voters as a “stand alone” ballot measure, separate from the proposed comprehensive Charter update measure. The rationale appears to be that this measure is of such stand-alone value, that it warrants separate consideration. That being said, if the Council determined that the Public Works update is not likely to be controversial and is more of an update to align the Charter with current best practices, consistent with the Charter

Project's original principles, the Public Works update could still be included as part of any proposed comprehensive Charter update.

Proposed Charter Update Provisions Requiring the Development of New City Ordinances and Policies.

Another matter of some discussion at the June 15th Council meeting, were the proposed Charter updates requiring Council to adopt implementing ordinances and/or policies. At one point it was suggested that the proposed update may require as many as 18 new ordinances and/or policies. This struck both City staff and the CRC as a high number. It also highlighted the importance of making it clear to the Council and the public how many and what types of new ordinances and policies would be required if the Charter were to be updated.

After a comprehensive review of the new proposed Charter provisions, the following required ordinances and policies were identified. In the attached updated draft Charter, all of these changes have been noted in the margins, color-coded in grey.

1. **Redistricting Ordinance.** Per Section 304, the City Council is to adopt an ordinance to develop the process for Mandatory Redistricting, including the creation of a Redistricting Commission.
2. **Policy for Appointment, Renewal, Removal of Boards and Commission Members.** Per Section 602.1, the City Council is to develop a policy for the appointment, renewal and removal of Boards and Commissioners in an "orderly and transparent manner."
3. **Policy for Excused Absences.** Per Section 205.1(7) and 602.3, the Charter contemplates a City Council policy regarding excused absences for City Council Members and Boards and Commission members as a basis for their excusal and potential removal if they incur a defined number of unexcused absences.
4. **Public Works Update Ordinance.** Per Section 802.2, the City Council must adopt an ordinance to implement the outlined standards and rules for Public Works procurement; such ordinance would include provisions for "alternative" procurement mechanisms (e.g., design-build).
5. **Enhanced Legal Noticing.** Per Section 904.2 the Council is to adopt a legal noticing policy to add to the City's existing conventional requirements a provision to make use of the latest technology to notify people requesting notice or likely to be impacted by a City Council action.

The creation of the above-referenced new ordinances and policies will involve a fair amount of staff work. However, in the view of the CRC and professional City staff, the added value of having such policies in place will be worth it.

To cover the time period between the effective date of the Charter and the implementation of the required/contemplated new laws, proposed new Section 905 provides as follows:

“Pending the enactment of any ordinance or policy required or contemplated under the terms of this Charter, existing Local Laws shall govern. To the extent there are no applicable Local Laws in these areas, General City Laws shall apply, but only to the extent consistent with the terms of this Charter.”

Additional Proposed Language and Updates

The attached updated Charter also includes a number of minor modifications to make corrections and to implement suggested minor modifications identified and recommended by City professional staff and the CRC ad hoc subcommittee designated to assist with the Charter update presentation and finalization. These modifications are highlighted in the Charter itself in **yellow** and, where appropriate, explained through added notes in the margins.

There are two additional sets of modifications of note included in the attached updated versions of the Charter:

1. Civil Service Sections. Please note that the proposed modifications to the Civil Service provisions of the Charter (Current Sections 1010 and 1011 and Article XI; Proposed Section 604.3 and Article Seven), are now aligned through the meet and confer process with the positions of the various City labor unions. As noted above, any proposed provisions not agreed to by the labor unions have been excluded. Although this is unfortunate, the agreed to changes that are included are still worth making and are a good addition to the comprehensive Charter update proposal.
2. Revenue Bond Financing. One significant set of proposed changes based on recent input from bond counsel relates to provisions for the issuance of revenue bonds to finance utility infrastructure. These changes are presented in new Section 805.6. They replace what bond counsel and City staff consider to be outdated language set forth in existing Charter Section 1321. The language in new Section 805.6 is consistent with current/best practices for utility infrastructure financing. It would allow the City to issue revenue bonds to finance utility infrastructure pursuant to a City Council resolution, **without** the requirement for voter approval. The rationale for this is that revenue bond debt is not like general fund debt that relies on new taxes for repayment. Under state law, that type of general obligation bond debt requires voter approval. Instead, repayment of utility revenue bond debt is secured solely by a pledge of actually received utility enterprise revenues. Many other Charter cities including Sunnyvale, San Diego,

Los Angeles, Hayward, Oakland, Pasadena, Redwood City, Sacramento and San Francisco have similar provisions in their charters . This type of debt is also allowed for general law cities, but in that case requires majority voter approval (not the 2/3rds voter approval required by the current Santa Clara City Charter).

The deleted provisions regarding revenue bond financing are considered to be outdated and limiting in ways that go beyond current state law limitations and best practices that have evolved over time. Although in the interim, the City has been able to finance utility infrastructure using debt financing without voter approval (for example, using certificates of participation), this finance mechanism is more cumbersome and costly. Accordingly, it is recommend that the existing provisions for revenue bond financing be replaced with the provisions and guidelines set forth in new Section 805.6.

Note: However much aligned this proposal is with current/best practices, because it proposes removing a voter approval right, it could be viewed as a Level Three proposal.

Conclusion/Next Steps

The CRC recommendation is obviously substantial. The hope is that the amount and types of information presented will allow the Council to digest and evaluate the proposal efficiently and with a full understanding of the context in which the recommendation is being made. If the Council proceeds with the CRC's recommendation to place one or more measures on the November 2026 ballot, additional information will be developed and made accessible to voters in order to enhance their understanding of the full scope and breadth of the measure as well.

As a reminder, if Council desires to proceed to place one or more Charter Project measures on the ballot, the full ballot package would need to be delivered to the County Registrar by no later than August 7, 2026. In order not to intrude on the Council's scheduled summer recess, that means any final City Council action on a Charter update ballot proposal would need to occur at the Council's currently scheduled July 14, 2026 meeting.

Attachments

1. City Charter with Proposed Modifications—Underline/Strikeout Version with Updated Language and Annotations
2. City Charter with Proposed Modifications—Clean Version (Changes Accepted) with Updated Language and Annotations