



Agenda Report

22-489

Agenda Date: 6/15/2022

REPORT TO PLANNING COMMISSION

SUBJECT

Public Hearing: Review of the Proposed FY 2022/23 and FY 2023/24 Biennial Capital Improvement Program Budget for Conformity with the City of Santa Clara 2010-2035 General Plan

EXECUTIVE SUMMARY

In accordance with State law and City procedures, the Planning Commission is charged with reviewing the proposed Capital Improvement Program (CIP) Budget (Pursuant to Government Code Section 65401) to determine its consistency with the adopted 2010-2035 General Plan. The City Council reviews the Planning Commission's findings prior to taking action on the budget. The proposed budget was presented at a City Council Study Session on May 24, 2022 and a second Study Session on June 7, 2022. The proposed budget will be brought forward for final approval on June 21, 2022. Although the draft CIP Budget may change somewhat before the City Council's public hearing, those changes are expected to be relatively minor and generally in line with what is currently contained in this draft document. If necessary, any significant additions can be subsequently brought before the Commission.

BACKGROUND

The Capital Improvement Program (CIP) is a five-year expenditure plan that guides the City in the planning, scheduling and budgeting of capital investments for its infrastructure and facility needs. The capital projects are aligned to the Adopted City Council Strategic Pillars and the Adopted FY 2022/2023 Budget Principles. These Budget Principles provide a framework for budget review and development, ensuring fiscal stability by considering both the short and long-term impacts of any funding decisions.

Budget Principles for FY 2022/2023

1. Make decisions within the context of the City's Code of Ethics and Values, especially being Fiscally Responsible, Communicative, and Service-Oriented.
2. Consider budget decisions with long-term implications taking into account data from the Ten-Year Financial Forecast.
3. To the extent possible, align ongoing expenditures with ongoing revenues to avoid negative impacts on future budgets and maintain the City's high financial management standards.
4. When addressing General Fund shortfalls, use a combination of ongoing and one-time solutions to balance the competing goals of aligning ongoing revenues and expenditures and minimizing the service delivery impacts to the community.
5. Continue cost control measures until the ongoing General Fund revenues and expenditures are in alignment.
6. Approve an exception to the Council Policy that dictates setting the General Fund Budget Stabilization Reserve at or above 25% of adopted budget expenditures; set the Reserve level at a minimum of 15% of expenditures and address any remaining FY 2022/23 shortfall with the use of the Land Sale Reserve.
7. Focus on projects and services that benefit the community as a whole.
8. Pursue economic development objectives and strategies to foster new public and private investment within Santa Clara, and to create employment opportunities.

9. Balance between compensation adjustments to retain and attract employees and funding for positions.
10. Use one-time unrestricted revenues (e.g., annual General Fund surplus) for one-time uses such as increasing reserves, funding capital or Information Technology projects, paying off debt, and/or paying off unfunded pension or other post-employment benefits liabilities.
11. Inform and communicate clearly and broadly to residents, businesses and employees regarding the City's fiscal position and budget; schedule hearings to promote active participation in the City Council's budget deliberations.
12. With limited exceptions, establish fees based on full cost recovery where individuals/businesses rather than the community at-large are benefitting from City services. This preserves limited unrestricted resources for providing services that benefit the community as a whole.
13. Focus on business process redesign in order to improve employee productivity and the quality, flexibility, and cost-effectiveness of service delivery (e.g., streamlining, simplifying, reorganizing functions, and reallocating resources).
14. Explore expanding existing revenue sources and/or adding new revenue sources.
15. Engage employees to contribute new and innovative ideas during the department budget development process.
16. Use the General Plan as a primary long-term fiscal planning tool and link ability to provide City services to development policy decisions.

In addition to the capital projects' alignment to the Council Strategic Pillars and Budget Principles, the new CIP projects will be reviewed by the Planning Commission (Commission) on a biennial basis for consistency with the 2010-2035 General Plan. All other projects in the CIP would have been reviewed for consistency in prior years.

2010-2035 General Plan

On November 16, 2010, the City Council adopted the 2010-2035 General Plan and certified the associated Final Environmental Impact Report. There are seven Major Strategies that represent the overarching principles in the City's General Plan. The Strategies provide the foundation for the Plan's goals and policies, as well as implementing actions. Each Strategy listed below defines a distinct priority, such as economic vitality or sustainability.

1. Enhance the City's High Quality of Life
2. Preserve and Cultivate Neighborhoods
3. Promote Sustainability
4. Enhance the City Identity
5. Support Focus Areas and Community Vitality
6. Maintain the City's Fiscal Health and Quality of Services
7. Maximize Health and Safety Benefits

The General Plan is a "Progressive General Plan" which provides a multi-horizon sequence for development as a mechanism to facilitate responsible growth. The City's General Plan policies are designed to guide this development. Collectively, these policies comprise the Plan's implementation program. Policies provide direction for public improvements, define appropriate land uses, identify standards for new development and detail measures to protect the City's environmental quality.

Implementation of the General Plan involves the City Council, the Planning Commission, other City review bodies, City Staff, and the community. Community Development Department staff has primary responsibility for implementing the Plan.

New Projects for Consistency Review

There are 13 newly created projects that are fully or partially funded in the Biennial FY 2022/2023 and FY 2023/2024 CIP (Attachment 1). Those projects are focused on the construction or improvements of new transmission lines for Silicon Valley Power; a battery storage system to store clean power for use during peak periods; improvements to existing facilities such as replacement of a section of sidewalk in front of the library; and construction of a new roof for the parks service center. The new projects are consistent with the General Plan's intent of promoting high quality of life enjoyed in the City; encouraging the preservation and enhancement of existing neighborhoods; maintaining the quality of City services and amenities; and supporting the Major Strategies.

DISCUSSION

For the purpose of this report, staff is emphasizing the projects that are new to the CIP budget, and have not yet been analyzed for General Plan conformance. These newly added projects support several of the Major Strategies such as Major Strategy No. 1, Enhancing the City's High Quality of Life and No. 6, Maintain the City's Fiscal Health and Quality Services.

Moreover, the projects also align to various goals and strategies that include, but not limited to, Public Facilities and Services, Mobility and Transportation, and Quality of Services. Some of the major projects are highlighted below and are organized by the goals and policies category of the General Plan.

Public Facilities and Services

As part of the General Plan, the City included goals and policies aimed at offering facilities for physical activities that would promote community health to meet the varying needs of residents in the community. The projects include the Central Park Master Plan, which will set the direction for the City's primary recreational amenity.

The relevant goals and policies are listed below.

- **5.9.1 G1:** Ample facilities for physical activities that promote community health.
- **5.9.2 P1:** Provide a diverse range of community, art, cultural and recreational facilities to meet the varying needs of residents in the City, including youth and seniors.

Mobility and Transportation

The CIP budget also includes line items for implementation studies for the Bicycle Plan and for the Traffic Impact Fee Nexus Study update. The Bicycle Plan studies will include outreach, and traffic and parking studies for a number of proposed bike lane projects within the City. The Traffic Impact Fee Nexus Study will help to ensure that the City charges developers appropriate fees for required transportation improvements.

These projects are consistent with the General Plan Mobility and Transportation policies, including:

- **5.8.1 P2:** Link all City transportation networks, including pedestrian and bicycle circulation, to existing and planned regional networks
- **5.8.1-P8:** Support efficient and effective use of revenue sources to adequately meet all transportation modes and needs.
- **5.8.4-P2:** Provide a system of pedestrian and bicycle friendly facilities that supports the use of alternative travel modes and connects to activity centers as well as residential, office and mixed use developments.

Quality of Services

The CIP also consists of projects that help to maintain the City's Quality of Services, which includes the construction new transmission lines for the electric utility, and a new roof for the Parks Service Center. These projects are consistent with the following General Plan policies:

- **5.3.1 P17** Promote economic vitality by maintaining the City's level of service for public facilities and infrastructure, including affordable utilities and high-quality telecommunications.
- **5.10.3 P10** Maintain the City's level of service for high quality utilities and telecommunications infrastructure.

The CIP budget also includes a number of line items for the administration of fees, including a line for the refund of impact fees not used within the 5-year statutory timeframe, and for the administration of CIP projects in the Tasman East and Patrick Henry Drive Specific Plan Areas using developer fees as a funding source. These items are consistent with the following General Plan Policy:

- **5.3.1 P9** Require that new development provide adequate public services and facilities, infrastructure, and amenities to serve the new employment or residential growth.

Each of the projects in the proposed CIP was similarly compared to relevant General Plan policies. Based on this analysis, staff has concluded that the Proposed FY 2022/23 and 2023/24 Biennial Capital Improvement Program Budget is consistent with the 2010-2035 General Plan.

Findings

Staff recommends that the Planning Commission find that the proposed CIP budget is consistent with the City of Santa Clara adopted General Plan 2010-2035 in that:

- The projects listed in the proposed FY 2022/23 and 2023/24 Biennial Capital Improvement Program Budget are consistent with the Santa Clara 2010-2035 General Plan major strategies and goals and policies; and
- The proposed FY 2022/23 and 2023/34 Biennial Capital Improvement Program Budget takes into consideration the FY 2022/23 Budget Principles.

These findings are included in the proposed resolution (Attachment 2).

ENVIRONMENTAL REVIEW

Environmental review determinations are provided as part of the table entitled, Proposed FY 2022/2023 and FY 2023/2024 Biennial Capital Improvement Program Budget CEQA Determinations, which is included as Attachment 1.

FISCAL IMPACT

There is no fiscal impact to the City for the determination of General Plan Consistency for CIP projects.

COORDINATION

This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any

agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Adopt a Resolution making findings on the conformity of the Proposed FY 2022/23 & FY 2023/24 Biennial Capital Improvement Program Budget with the 2010-2035 General Plan.

Reviewed by: Alexander Abbe, Assistant City Attorney

Reviewed by: Lesley Xavier, Planning Manager

Approved by: Reena Brilliot, Assistant Director of Community Development

ATTACHMENTS

1. Environmental Determinations for New CIP Projects
2. Resolution - Proposed FY 2022/23 and FY 2023/2024 Capital Improvement Program Budget General Plan Conformity Findings
3. Resolution Exhibit 1 - Proposed Biennial Capital Improvement Program Budget
4. Proposed FY 2022/23 and FY 2023/2024 CIP Budget projects