



City Council Memorandum

599 El Camino Real Greenfield CA 93937 831-674-5591
www.ci.greenfield.ca.us

MEMORANDUM: January 7, 2016

AGENDA DATE: January 12, 2016

TO: Mayor and City Council

FROM: Susan A. Stanton, ICMA-CM
City Manager

TITLE: 2016 CITY COUNCIL RETREAT

As we begin the New Year, it is appropriate for the City Council to evaluate the strategic direction of the City and identify issues which need to be addressed to ensure Greenfield's future. Since my appointment as City Manager three years ago, the City has dedicated extensive resources "getting its house in order" and ensuring it has the right personnel and organizational assets in place to continue improving the quality of life in Greenfield.

Three years ago, on January 23rd, 2013, the City Council dedicated a day to clarifying the City's missions and setting strategic goals for the future. The Council utilized the professional facilitation service of Marie Glavin to help the Council and city staff with discussing these issues and developing a plan of action. Marie Glavin is the managing director for Renaissance Resources West with over 30 years of experience working in both the public and private sectors. She has extensive experience working in partnership with many non-profit organizations facilitating strategic planning and conducting organizational and community assessments, program planning, and research and evaluation. She is certified in advance board consulting and is skilled in providing board governance and leadership training and development. Marie has extensive experience in collaborative planning, and in leading major initiatives, and creating innovative and progressive programs and services.

Ms. Glavin is available to assist the City in the same capacity as she did in 2013 on January 30th, or February 6th or the 20th. As an experienced facilitator Ms. Glavin can help the City plan the retreat, develop the agenda, and set realistic goals and expectations for the session. If the Council feels having a facilitated retreat is timely and is comfortable with engaging Ms. Glavin again, a date needs to be selected for the retreat. *Both Mayor Huerta and I feel this Retreat should happen as soon as possible and occur prior to February 20th, 2016*

During the holiday break, I used the quiet time in the office to identify some key issues I feel impact the quality of life in Greenfield and need to be addressed by the City. Each of these issues impact residents in the community and require extensive discussion. Evaluating the importance of each issue will assist the City Council to develop a strategic plan for 2016. Seven strategic issues *I feel need to be discussed* by the City Council including the following:

1. Allocation of future Measure W sales tax proceeds,
2. Implementation of the proposed Rental Inspection Program to address housing conditions in the community,
3. Enforcement of the City's existing sign ordinance, especially along its primary commercial corridor, to begin readying the community for future economic reinvestment,
4. Service level capacity of the City's three independent service districts,
5. Financing Fire Protection and EMS to ensure the safety of all residents and continued economic development in the City,
6. Financial assistance to residents to improve housing conditions in the City, and
7. Update/Modernization of City's revenue sources

Each issue impacts one or more of the City's six existing **Strategic Goals** which might also need to be revised based on Council policy goals:

1. Make Greenfield a safe place where families, individuals, and businesses thrive.
2. Provide excellent services and outstanding stewardship of financial resources to ensure fiscal solvency and sustainability.
3. Attract, create, and retain businesses that contribute to the economic development and prosperity of all its residents.
4. Create livable high quality neighborhood by improving current and future home construction.
5. Improve the quality of life in the community by rehabilitating City infrastructure.
6. Make Greenfield a fun and interesting place to live and play for all of its residents.

Public safety and economic development are both extremely important to Greenfield and both areas are actively being addressed by the City at this time and impact each of the seven strategic issues I have *described in detail on the following pages* in this memorandum. **Each Council member is encouraged to propose additional issues that might be discussed at the retreat.** Adding additional issues for discussion at the retreat will require adequate time to proper discussion which may require more than a single session.

POTENTIAL MOTION:

I MOVE TO APPROVE/DENY ENGAGING MARIE GLAVIN WITH RENAISSANCE RESOURCES WEST TO FACILITATE THE 2016 CITY COUNCIL RETREAT ON

_____.

2016-2020 Measure W Sales Tax Allocating:

With the approval of Measure W in November 2015, the City needs to develop an allocation plan for spending an estimated \$900,000 that it will begin to receive in June 2016. The City committed to fund the following items to Greenfield voters:

- To begin to reach the national standard for police officers, an additional four officers will be hired, at a cost of \$340,000 per year for pay and benefits.
- The City will also approve a new pay plan to ensure our officers stay in Greenfield protecting and serving our residents.
- Public safety goes hand-in-hand with recreational opportunities and code enforcement.
- Enhancing recreation programs can provide our community with wholesome activities such as free concerts in the park, Cinco de Mayo, and 4th of July celebrations.
- Code enforcement will do much to strengthen residents' pride in our beautiful community.

While \$900,000 is a lot of money, almost half is projected to go to the Police Department on top of the total sales tax allocation from Measure V. There are still many important unfunded staffing needs in PD which could easily justify allocating the entire Measure W sales tax proceeds to public safety.

The City Council needs to adopt a spending plan for this money that addresses the most important needs in the community.

Rental Inspections Program:

During the last year, the Council begun discussing the adoption of a rental inspection program to address associated with poorly maintained rental housing in Greenfield. While rental inspections programs work very well in communities around the state, some people feel such programs are a violation of individual property rights and interfere with the private business relationship between a landlord and a tenant.

The proposed rental inspection program would apply to all owners of residential rental properties. The City would inspect the interior of all residential rental dwelling units and tenant common areas at the time of the unit's first registration and once every three (3) years thereafter, and the exterior of all residential rental buildings and outside yard and common areas once every year, for compliance with all applicable building, housing and sanitation codes and ordinances. The inspections under the residential rental inspection program would be conducted by the City's building official/code enforcement position. As this program is implemented, along with the building inspection and code enforcement responsibilities of the building official/code enforcement position, the workload of that position would be monitored to determine if it is necessary to ask the City Council to authorize the creation of an additional inspector/code

enforcement position to be able to provide timely rental property inspections, building and construction permit inspections, and other on-going code enforcement services.

The City Council will need to determine the proper role the City should assume in regarding safe high quality rental housing in the community.

Downtown Sign Ordinance Compliance

One of the biggest complaints I receive from people in Greenfield is the City's lack of enforcement regarding the sign ordinance. This lack of enforcement is most apparent when driving down the City's primary business corridor with signage that does not comply with City ordinances. Some of the more relevant requirements most business are not in compliance with includes:

- 1) Awning and canopy signs may be permitted only as an integral part of the awning or canopy to which they are attached or applied. Awning and canopy signs must be regularly cleaned and kept free of dust and visible defects.
- 2) Building Signs: The sign shall not be placed to obstruct any portion of a window, doorway, transom, or other architectural detail. The sign shall not project above the edge of a structure and shall comply with the City's height requirement and may not take up more than seventy five percent (75%) of the building frontage on which it is placed. The sign shall not project from the surface upon which it is attached more than required for construction purposes and in no case more than twelve inches (12").
- 3) Maintenance of Signs: All signs shall comply with the following criteria:
 - a) All transformers, equipment, programmers, and other related items shall be screened and/or painted to match the building or shall be concealed within the sign;
 - b) All permanent signs shall be constructed of quality, low maintenance materials such as metal, concrete, natural stone, glass, and acrylics. Techniques shall be incorporated during construction to reduce fading and damage caused by exposure to sunlight or degradation due to other elements;
 - c) All signs shall be constructed in compliance with any applicable building, electrical, or other code in effect at the time of construction or maintenance, with particular respect to wind and seismic loads and overturning moment;
 - d) All freestanding signs that incorporate lighting shall have underground utility service;
 - e) Signs shall be cleaned, updated, and/or repaired as necessary to maintain an attractive appearance and to ensure safe operation of the sign. Unacceptable sign conditions include broken or missing sign faces, broken or missing letters, chipped or peeling paint, water damage, missing or inoperative lights, exposed mechanical or electrical components, and missing or broken fasteners. Failure to respond to a written request from the city to perform maintenance work shall result in revocation of the sign's zoning clearance;

- f) All temporary signs and banners shall be made of a material designed to maintain an attractive appearance for as long as the sign is displayed;
- g) All illuminated signs shall be of such intensity or arranged in such a manner so as not to create glare for abutting properties or vehicular traffic.

The City has not attempted to enforce the sign ordinance for many years. Doing so will not be popular among the businesses that would be asked to comply or suffer expensive enforcement actions. The City Council will need to evaluate the value of enforcing the sign ordinance, the impact on the community and the cost/benefit to those businesses forced to comply with the ordinance.

Greenfield Independent Service Districts:

LAFCO recently evaluated the Greenfield Public Recreation District and the Memorial District and identify the extent to which these agencies' services and functions overlap with those provided by the City and with each other. The studies discuss the potential that may exist for increased collaboration, in the form of shared services or facilities, joint ventures, or other partnerships, to meet the community's needs as efficiently and economically as possible. LAFCO noted that the passage of Measure W is an opportunity to bring the Districts together to renew the discussion of improving service delivery efficiencies in the Greenfield area. LAFCO staff recommends that a joint workshop of City and special district representatives, to review all existing agencies' services within the Greenfield community and discuss potential future opportunities for greater efficiency, would be an appropriate and constructive follow-up action to this study. LAFCO is proposing further coordination between LAFCO and City staff to develop a future workshop plan. Some of the more interesting findings of the report included:

- 1) The Greenfield Public Recreation District: Significant opportunities may exist for greater efficiencies of service delivery through potential future partnerships with the City of Greenfield and/or independent special districts in the nearby area such as the Greenfield Public Recreation District, the Soledad-Mission Recreation District, the Greenfield Cemetery District, local schools, or other agencies. District representatives do not perceive any viable current opportunities for increased interagency coordination of programs or services with nearby agencies.
 - a. The District's largest operating expenses are generally payroll, insurance, and utilities (totaling approximately 70% of operating expenses in Fiscal Year 2011-2012).
- 2) The Greenfield Memorial District: The District serves mostly the same population as the Greenfield Public Recreation District, and the services offered by the two districts are somewhat similar. The City of Greenfield also operates nine neighborhood parks within city limits.
 - a. The District's Memorial Hall was built about 60 years ago and its aging building systems and amenities are in need of reinvestment.

- b. The Memorial Hall also now experiences competition from newer activity centers and event venues in the area.
- c. District representatives believe the building needs a comprehensive renovation to increase its attractiveness as a venue for activities and special events, and to increase compliance with the Americans with Disabilities Act.
- d. The Memorial Hall is generally not being utilized to its full potential on weekdays.
- e. Significant opportunities may exist for greater efficiencies of service delivery through potential future partnerships with the City of Greenfield and/or independent special districts in the nearby area such as the Greenfield Public Recreation District, the Soledad-Mission Recreation District, the Greenfield Cemetery District, local schools, or other agencies.

The City Council will need to evaluate the options for partnering with either of the Districts and whether there is any advantage to the greater community for using Measure W funds to improve the services or facilities operated by these Districts.

Community Fire Protection:

In August 2015, Measure U was sponsored by the Greenfield Fire Protection District but failed to get the required $\frac{3}{4}$ support of voters. Measure U would have been used to fund emergency medical services for quicker responses to heart attacks, vehicle accidents, and other emergencies, recruit and retain qualified personnel to provide necessary responsiveness to protect homes and businesses from fire and other disasters, and plan for the District's long term fiscal well-being. If passed it would have authorized an annual special tax base rate of \$73.00 per tax unit with a cost-of-living adjustment. As noted in the LAFCO 2012 report, the District has changed significantly in the past 15 years with the number of annual calls received by the District increasing from approximately 200 a year to almost 1,000, excluding calls for mutual and automatic aid. Measure U was of critical importance because:

- The Greenfield FPD's per capita annual revenues are the lowest of all fire protection districts in the County, at \$33 a person.
- The District receives approximately 40% of these revenues from a voter-approved benefits assessment.
- The District receives only three cents for every dollar received by the County for the 1% property tax. Property tax still constitutes approximately 30% of the District's revenue.

In 2014, the District received a \$297,478 SAFER (Staffing for Adequate Fire and Emergency Response) grant from FEMA to hire fire fighters. SAFER Grant was created to provide funding directly to fire departments and volunteer firefighter interest organizations to help them increase or maintain the number of trained, "front line" firefighters available in their communities. The goal of SAFER is to enhance the local fire departments' abilities to comply with staffing, response and operational standards established by the NFPA (NFPA 1710 and/or NFPA 1720). While the grant addressed the short term staff shortages in the District, it did not provide any resources or requirements for the District to address the recruitment and retention problems maintaining staffing once the grant expired. The Fire District's ability to provide fire protection

is critical to the economic development of the community. The District has communicates its willingness to merge with the City in order to secure appropriate funding of fire protection.

The City Council has the ultimate responsibility to ensure adequate fire protection in the community. Prior to assuming direct responsibility for fire protection in Greenfield, the City will need to adopt a sustainable funding source to ensure adequate service levels and very possibly allocate emergency financing to ensure continued operation of the Fire District.

Affordable Housing in Greenfield

As recently documented in the market study prepared for the Terracina Oaks II Apartments in 2014, there is a strong need and demand for affordable work force development in Greenfield. However, there is also a strong need for providing existing homeowners in Greenfield with assistance to rehabilitate their own homes as well as assisting current residents living in rental housing to become homeowners. The City was awarded \$465,000 in 2015 to provide housing rehabilitation and homeownership assistance to its residents which would improve the housing stock in the community. These housing programs can be very effective but will not be successful without the active support of elected officials and community leadership. The two housing programs offer the following benefits:

1. Housing Rehabilitation Assistance (\$232,558): Eligible uses of these funds will include:
 - a) Financing of the costs of repairs and general property improvements to owner- and renter-occupied units,
 - b) Demolition and reconstruction of dwelling units
 - c) Loans for refinancing existing indebtedness secured by a property being rehabilitated
 - d) Water or sewer laterals from the main water line to the dwelling,
 - e) Installation of water meters,
 - f) Improvements to increase the efficient use of energy in structures;
 - g) Improvements to increase the efficient use of water
 - h) Initial homeowner warranty premiums
 - i) Hazard insurance premiums when rehabilitation.

2. Homeownership Assistance (\$232,558) Eligible uses of funds will provide direct assistance to Low–or Moderate- Income homebuyers for the acquisition of an existing or new housing unit. Assistance may be used to:
 - a) Subsidize interest rates and mortgage principal amounts;
 - b) Finance the acquisition by LMI homebuyers of housing that will be occupied by the homebuyers;
 - c) Acquire guarantees for mortgage financing obtained by homebuyers from private lenders;
 - d) Provide up to 50% of any down-payment required from the LMI homebuyer; or,
 - e) Pay reasonable closing costs incurred by LMI homebuyers.

Once these Housing Programs are made available to the Community, the City Council will need to communicate the benefit to City residents and develop partnerships in the community to ensure the funds are used by City residents.

Revenue Management

The City was successful in getting voter approval for both sales tax measures in 2015. However, Measure W is only for five years which will restrict the City's ability to use this revenue for long term debt financing. Additionally, if the City uses these funds to hire additional personnel and create new programs for recreation and code enforcement, it will need to find long-term sustainable revenue. The revenue options study conducted in 2015 identified several existing revenue sources that the City should begin to examine to increase general government revenue which will ensure the City is able to maintain any new program developed with the proceeds of Measure W taxes:

- 1. Property Transfer Tax.** Statewide, there is a property transfer tax of \$1.10 per \$1,000 of value when property is sold (or \$220 on a property worth \$200,000). For sales in a city, the proceeds are evenly divided between the city and the county, for an effective city rate of \$0.55 per \$1,000 of value. (For sales in unincorporated areas, the county retains all of the tax.) Based on average annual revenues from this source over the last five years, net new revenues range from \$19,800 at a rate of \$1.10 per \$1,000 of value, to \$340,000 at \$10.00 per \$1,000 of value. At the "mid-range" of the rate set by other cities with this revenue source (\$4.40), net annual revenues would be about \$138,800.

If the revenue is used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time). With majority voter approval, property transfer tax revenue can be used for any legitimate government purpose, such as parks, street maintenance, recreation, police or fire; or with two-thirds voter approval, they must be used for specifically dedicated purposes as set forth in the ballot measure. As indicated in the Revenue Option Study, under Proposition 62 this revenue source is not available to General Law cities so Greenfield would have to consider becoming a Charter city like King City.

- 2. Business License Tax.** Anyone doing business in the City is required to pay a business license tax. The amount is generally based on a flat fee of \$40 per year. However, this fee has not been changed in forty years, when it was last adjusted in 1975. As indicated in the Revenue Option Study, most cities based their business license tax on gross receipts and do not assess a flat tax like Greenfield. The study also noted that the City could also consider modernizing its business license tax ordinance, simply adjusting the rate to account for the passage of time – in essence, setting it the at the same level when it was adopted which would generate an additional \$81,000 annually. Majority voter approval is required in order to increase the business tax. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).
- 3. Utility Users' Tax.** Half of the State's residents and a majority of businesses in California pay utility users' taxes at rates ranging from 1% to 11%. It is a tax on the consumption of utility services (such as natural gas, electricity, water, sewer, telephone and cable), similar in concept to the retail sales tax on commodities. For this reason, most cities set their rates based on the sales tax rate in effect at the time they adopted their

utility users' taxes ordinance, which accounts for some of the variability in rates. Statewide, for those 154 cities that levy utility users' taxes, the average rate is 5.5%. The City's rate is 3.0%. At 5%, utility users' taxes revenues would increase by about \$176,000 annually.

The City Council will need to evaluate the benefit of updating existing revenue sources or seeking voter approval of new sources to sustain any new programs developed with Measure W Sales Tax Funds or take no action and rely on new growth in the local economy.