

*Alameda*

**LAFCO**

ALAMEDA LOCAL AGENCY FORMATION COMMISSION  
1221 OAK STREET, SUITE 555 \* OAKLAND, CA 94612  
(510) 271-5142 FAX (510) 272-3784  
[WWW.ACGOV.ORG/LAFCO](http://WWW.ACGOV.ORG/LAFCO)

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# Alameda Local Agency Formation Commission Municipal Service Review Update

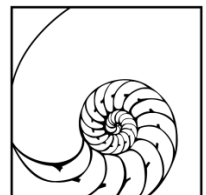
September 2017

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## **Prepared By:**

Lamphier-Gregory  
1944 Embarcadero  
Oakland, CA 94606





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# Alameda County Overview and Municipal Service Review Summary

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This Municipal Service Review has been prepared for the Alameda County Local Agency Formation Commission (Alameda LAFCo) pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act). Municipal service reviews are comprehensive studies of services undertaken to obtain information about service delivery, evaluate the provision of services, and recommend actions to promote the provision of those services. In addition, the CKH Act requires Alameda LAFCo to review and update the spheres of influence for municipalities within its jurisdiction every five years. This report therefore fulfills the responsibility of Alameda LAFCo to conduct a municipal service review prior to or in conjunction with sphere of influence updates.

## Alameda County Overview

Alameda County, established in 1853, is the seventh most populous county in California, and has 14 incorporated cities and several unincorporated communities. The County population is estimated to be 1,627,865 as of January 2016. The County's approximate 821 square miles encompass a varied geography ranging from bay wetlands to rolling open spaces to hillside lakes and streams. The unincorporated area of Alameda County encompasses over 471 square miles with a population of 146,787, and includes five distinct communities in the western part unincorporated area of the County: Castro Valley, Fairview, Ashland, Cherryland, and San Lorenzo, comprising 134,003 of the unincorporated population in 136 square miles. The eastern unincorporated area includes the community of Sunol and rural agricultural areas around Dublin, Pleasanton, and Livermore, encompassing 335 square miles with a population of 8,784.

Alameda County is governed by a five-member Board of Supervisors elected by popular vote. The Board of Supervisors is responsible for providing policy direction, approving the County budget, and representing the County in a number of areas, including its dependent special districts. The County Administrator advises, assists, and acts as an agent for the Board of Supervisors in all matters under the Board's jurisdiction.

The County provides an array of services, many of which are considered for cities in this municipal service review. While all County departments and agencies provide services to the residents of unincorporated Alameda County, under the policy direction of the Board of Supervisors, five County departments and agencies have primary responsibility for the provision of municipal programs and services throughout the unincorporated area: the Community Development Agency, the Alameda County Fire Department (ACFD), the County Library, the Public Works Agency, and the Sheriff's Office.

The programs and services managed by the Community Development Agency include the County's zoning, neighborhood preservation, and other code enforcement activities; building and plan reviews; land use planning and environmental reviews; economic and civic development activities; housing services to low-income and disabled persons; and pest detection and agricultural management services.

The ACFD provides fire, medical, and hazardous materials response, among other services. The geography and demography of the unincorporated area that the ACFD serves excludes the community of Fairview (which has its own fire protection district and contracts for fire protection services from the City of Hayward) and encompasses 468 square miles with a population of 132,248. Nine fire stations serve the area. In addition, the ACFD provides first-responder paramedic services to its contract partners of Dublin, San Leandro, Newark, Union City, Emeryville, Lawrence Berkeley National Laboratory, and Lawrence Livermore National Laboratory. The ACFD total service area encompasses approximately 508 square miles and has a daytime population of approximately 358,052.

The Alameda County Library oversees operation of the Castro Valley and San Lorenzo branch libraries, senior outreach, literacy, and bookmobile services. Their reach extends to five participating cities: Albany, Dublin, Newark, Union City, and Fremont with satellites at Centerville, Irvington, and Niles.

Services provided by the Public Works Agency include but are not limited to road and infrastructure maintenance and repair; flood and stormwater pollution control; and individualized local services within designated County Service Areas. Alameda County Flood Control Zone 7 provides treated and untreated water for municipal, industrial, and agricultural uses, and develops/maintains adequate facilities to prevent property loss and damage from floods in the Livermore-Amador Valley Area.

The Alameda County Sheriff's Office provides law enforcement and animal control services.

## **Trends Affecting Alameda County**

Some of the factors influencing the ability of the County and its municipalities to provide services include the effects of climate change, the economic effects of population and job growth, the ongoing housing crisis, transportation, and aging infrastructure. These are discussed briefly below.

The top two most common opportunities cited by Cities with regard to the provision of municipal services were related to housing and economic growth, whereas the top two most common challenges were related to funding pension obligations and addressing housing needs and homelessness.

## Climate Change

Climate change represents a significant challenge on the global level as well as at the local level. In Alameda County, coastal cities will face sea level rise, and the county as a whole may face drought conditions, which could result in increased vulnerability to wildfire for inland areas. Municipalities in Alameda County also face potentially devastating financial effects of climate change in the form of unexpected expenditures and operational disruptions. Understanding which areas are most at risk from the effects of climate change can help cities identify priorities for mitigation and adaptation, particularly in consideration of future growth.

## Economy, Jobs, and Housing

Cities in Alameda County have mostly recovered from the Great Recession, similar to the recovery experienced overall in California, which has outpaced the U.S. in terms of economic growth and job creation. Between 2010 and 2015, east Alameda County experienced a 17% increase in jobs, south Alameda County experienced a 13% increase, and north Alameda County experienced a 5% increase.<sup>1</sup> Overall growth in the East Bay region for December 2014 to December 2015 went from an estimated 2.0% to 2.8%, placing the East Bay ahead of the nation (2.0% growth) for the same period.<sup>2</sup> The growth in the labor market has contributed to continued population growth in Alameda County.

Information on housing permits can indicate potential future growth. Consistent with the Bay Area trends, permitting rates are shifting from single-family homes toward multi-family homes as cities attempt to address growing housing needs. The cities of Dublin, Hayward, and Livermore are developing the most single-family units relative to their current single-family housing stock in Alameda County, as shown in **Table S.1**.

**TABLE S.1**  
**SINGLE-FAMILY PERMITS AS SHARE OF HOUSING STOCK**

City	Permits 2013 to 2015	Permits as a Share of Housing Stock (%)
Dublin	1,529	14.7
Hayward	740	2.6
Livermore	473	1.9

East Bay Economic Development Alliance, Economic Outlook 2016-17.

The cities of Dublin, Emeryville, Piedmont, and Pleasanton are developing the most multi-family units relative to their current multi-family housing stock in Alameda County as shown in **Table S.2**.

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<sup>1</sup> <http://www.vitalsigns.mtc.ca.gov/jobs>

<sup>2</sup> East Bay Economic Development Alliance, Regional Intelligence Report, November 2016.

**TABLE S.2**  
**MULTI-FAMILY PERMITS AS SHARE OF HOUSING STOCK**

City	Permits 2013 to 2015	Permits as a Share of Housing Stock (%)
Dublin	1,257	21.0
Emeryville	813	14.1
Piedmont	7	4.4
Pleasanton	1,029	16.7

East Bay Economic Development Alliance, Economic Outlook 2016-17.

**Table S.3** reflects the assessed values of taxable properties within Alameda County. The assessment roll generates revenue for Alameda County jurisdictions, public schools, Alameda County, and special districts.

**TABLE S.3**  
**2015 – 2016 ASSESSMENT ROLE, ALAMEDA COUNTY MUNICIPALITIES**

Jurisdiction	2015-2016 Roll	Parcels and Accounts
Alameda	\$11,251,618,749	25,088
Albany	\$2,350,720,686	6,189
Berkeley	\$16,755,513,268	33,450
Dublin	\$12,682,981,058	20,506
Emeryville	\$4,799,994,745	6,683
Fremont	\$41,598,424,385	70,029
Hayward	\$18,403,234,391	43,003
Livermore	\$16,070,015,163	33,952
Newark	\$6,966,790,985	14,688
Oakland	\$51,265,708,521	120,805
Piedmont	\$3,852,501,248	4,079
Pleasanton	\$20,107,643,553	28,023
San Leandro	\$12,263,447,151	28,190
Union City	\$9,343,359,545	20,050
Unincorporated	\$17,023,506,582	46,526
General Aircraft & Pipelines	\$721,057,323	880
Total Alameda County	\$245,456,517,353	502,141

Alameda County Office of the Assessor, 2016-17 Annual Report.

## Transportation

The transportation system in Alameda County municipalities includes highway and roadway systems, Bay Area Rapid Transit (BART) and commuter rail, express and local bus service, and bicycle and pedestrian networks.

Approximately 36.7% of employed residents of the East Bay commute daily outside area, primarily to San Francisco County and Santa Clara County. According to the Metropolitan



Transportation Commission, Alameda County is second to Santa Clara County as having the highest share of per capita greenhouse gas emissions in the Bay Area.<sup>3</sup> Reducing the carbon footprint of the transportation system is regional environmental priority and a primary objective of Plan Bay Area, the long-range transportation and land use plan for the region. Plan Bay Area directs new growth within locally adopted urban growth boundaries to existing communities along major transit corridors, which is anticipated to provide more development in pedestrian- and bike-friendly areas that are close to public transit, jobs, schools, shopping, recreation, and other amenities. State and federal law requires the regional transportation plan to be updated at least every four years to reflect new funding forecasts and adjust to new growth issues.

### **Aging Infrastructure**

Aging infrastructure is not a new problem, but rather a continuous problem faced by many cities. Older infrastructure is often inefficient and requires more of city budgets to address needed improvements or repairs. Failure to maintain or update infrastructure can lead to disruption in service provision. Much of the older commercial infrastructure is found in northern (the cities of Alameda, Albany, Berkeley, Emeryville, and much of Oakland) and central (East Oakland and San Leandro) Alameda County. As the region's economy has shifted from manufacturing and goods-movement industries to high-technology industries and services, municipalities have responded by increasing the commercial office and research and development uses to accommodate this shift.

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<sup>3</sup> <http://www.vitalsigns.mtc.ca.gov/greenhouse-gas-emissions>

## Summary of Alameda County Municipal Service Review

This Municipal Service Review (MSR) Update assesses current practices and explores future opportunities for collaboration among cities to achieve common goals and efficient delivery of services. The report covers the following 14 municipalities under the jurisdiction of Alameda LAFCo:

- City of Alameda
- City of Albany
- City of Berkeley
- City of Dublin
- City of Emeryville
- City of Fremont
- City of Hayward
- City of Livermore
- City of Newark
- City of Oakland
- City of Piedmont
- City of Pleasanton
- City of San Leandro
- City of Union City

The following service areas are reviewed for each of the cities:

- Animal control, vector control
- Fire and emergency response
- Law enforcement
- Library
- Lighting
- Parks and recreation
- Planning and building
- Solid waste
- Streets
- Utilities (electricity, gas) and Broadband

**Table S.4** shows services provided by the cities and under contract with other service providers.

**TABLE S.4  
SERVICE PROVISION OVERVIEW**

<b>City</b>	<b>Animal Control, Vector Control</b>	<b>Fire &amp; Emergency Response</b>	<b>Law Enforcement</b>	<b>Library</b>	<b>Lighting</b>	<b>Parks &amp; Recreation</b>	<b>Planning &amp; Building</b>	<b>Solid Waste</b>	<b>Streets</b>	<b>Utilities &amp; Broadband</b>
Alameda	City/SP	City	City	City	City	City	City	SP	City	City/SP
Albany	SP	City/SP	City	SP	SP	City	City	SP	City	SP
Berkeley	City/SP	City/SP	City	City	City	City	City	SP	City	SP
Dublin	SP	SP	SP	SP	SP	City	City	SP	City/SP	SP
Emeryville	SP	City/SP	City	SP	City	City	City	SP	City	SP
Fremont	City/SP	City/SP	City	SP	City/SP	City/SP	City	SP	City	SP
Hayward	City/SP	City	City	City	City	City/SP	City	SP	City	SP
Livermore	City/SP	City/SP	City	City	City	SP	City	SP	City/SP	SP
Newark	City/SP	SP	City	SP	City	City	City	SP	City	SP
Oakland	City/SP	City	City	City	City	City	City	SP	City	SP
Piedmont	City/SP	City	City	SP	City/SP	City	City	SP	City	SP
Pleasanton	City/SP	SP	City/SP	City	City/SP	City/SP	City	SP	City	SP
San Leandro	City/SP	SP	City	City	City	City	City	SP	City	SP/City
Union City	City/SP	SP	City	SP	City	City	City	SP	City	SP

SP = other service provider

## Summary of Service Review Determinations for Cities in Alameda County

The CKH Act requires all LAFCoS to prepare a written statement of determination with respect to six key areas. Alameda LAFCo determinations are summarized below for cities in Alameda County.

### Growth and Population Projections

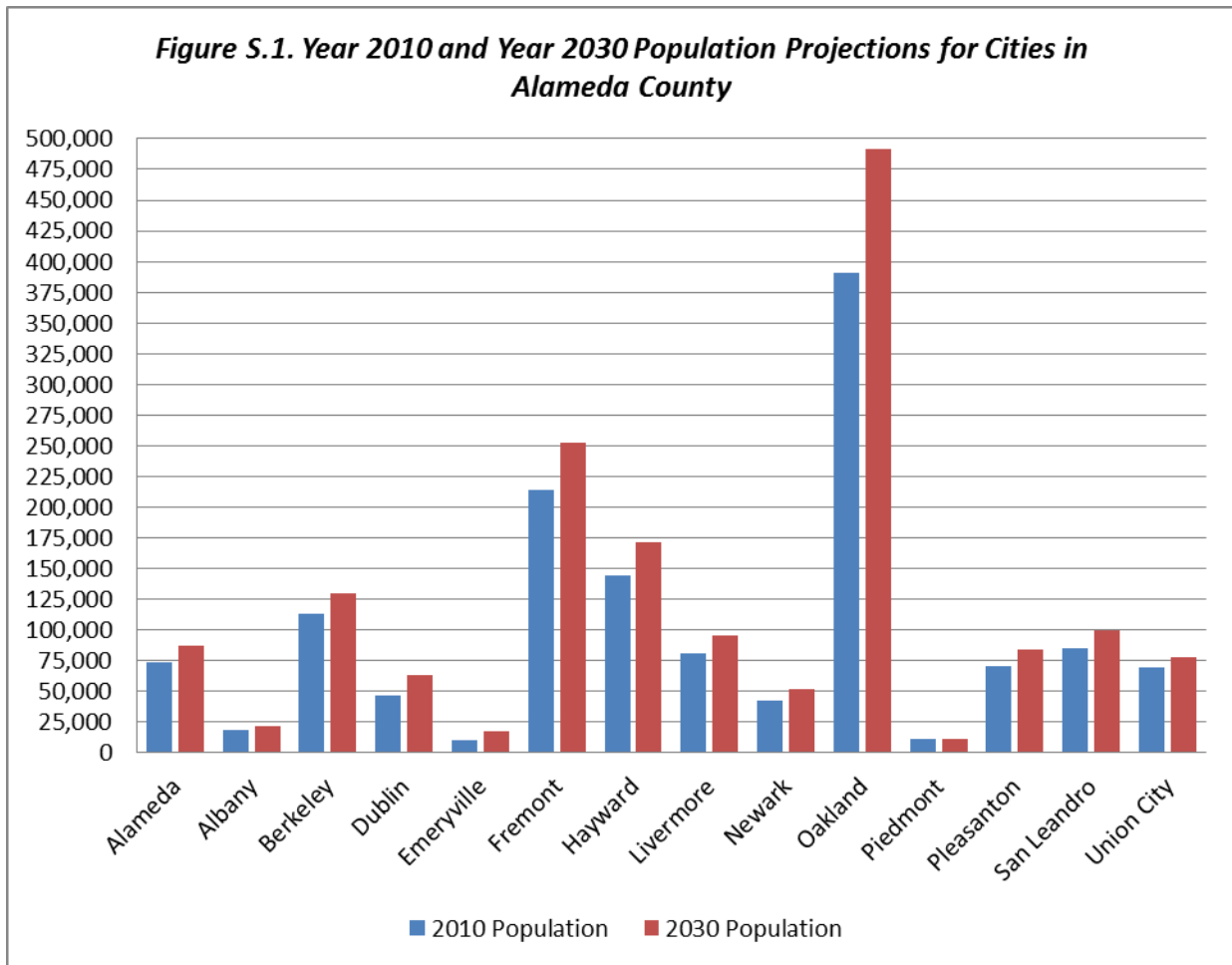
This MSR Update compiles the population and growth projections prepared by the Association of Bay Area Governments (ABAG) for each city in the County.

**Table S.5** shows the 2016 population and population density for each city.

**TABLE S.5**  
**POPULATION OF CITIES IN ALAMEDA COUNTY, 2016**

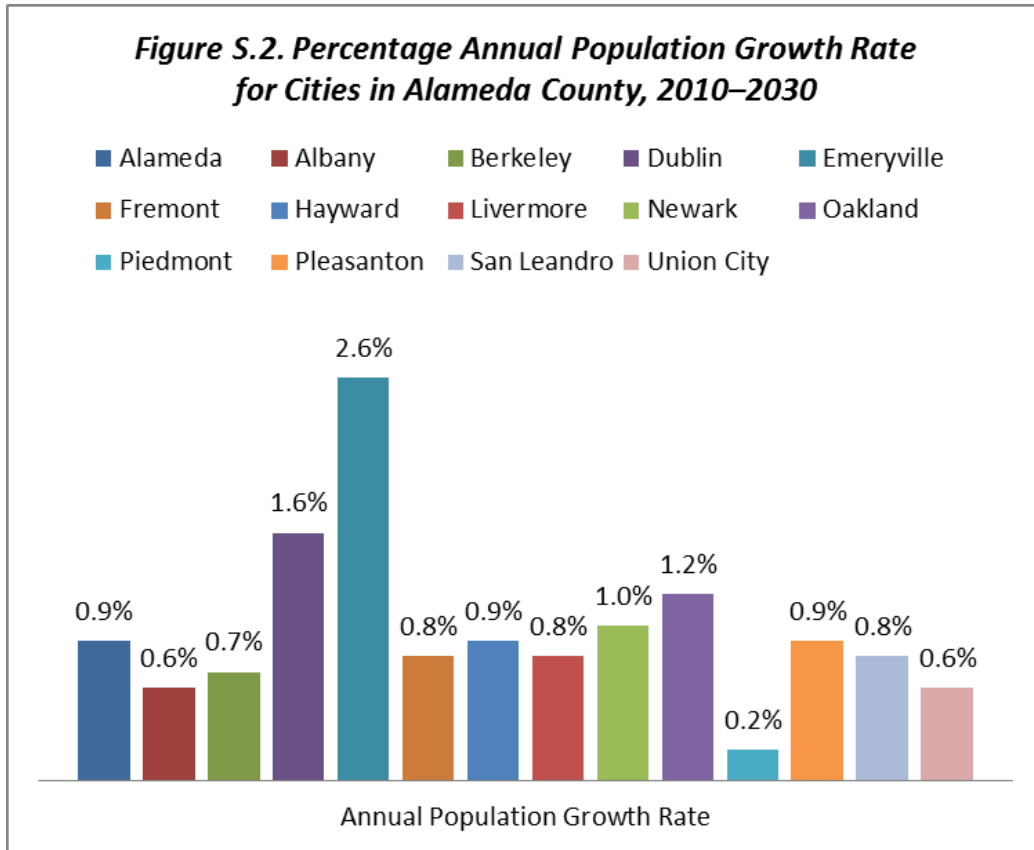
City	Population	Persons per Square Mile
Alameda	79,277	7,478
Albany	18,983	11,166
Berkeley	119,915	6,662
Dublin	57,349	3,928
Emeryville	11,721	9,768
Fremont	229,324	2,493
Hayward	158,985	2,606
Livermore	88,138	3,597
Newark	44,733	3,441
Oakland	422,856	7,860
Piedmont	11,219	5,926
Pleasanton	74,982	3,289
San Leandro	87,700	5,847
Union City	72,592	4,053

ABAG projects that the total population among cities in Alameda County will grow to approximately 1.8 million by the year 2030, representing an annual growth rate of 1% from the 2010 population of approximately 1.5 million. **Figure S.1** reflects the growth projected to occur between 2010 and 2030 for each city in Alameda County. The unincorporated Alameda County population is not included in the data.



As shown in **Figure S.2**, the City Emeryville is expected to have the highest annual growth rate (2.6%) in the County over the next 15 years. The cities of Dublin and Oakland are expected to have the second and third highest annual growth rates, respectively. The City of Piedmont is projected to have the lowest annual growth rate in the County, at 0.2%.

The possibility of outward growth for many cities in Alameda County is limited due to their proximity to other incorporated cities, their location adjacent to the San Francisco Bay, or county boundaries. These cities, mostly concentrated in the western portion of the County, are growing via infill development and do not anticipate that current or projected growth patterns will expand beyond their existing municipal boundaries and spheres of influence (SOIs). The cities in the central and eastern portion of Alameda County (e.g., Dublin, Hayward, Livermore, Pleasanton) share part of their boundary with unincorporated Alameda County; however, these cities do not anticipate an expansion of their SOI in the next five years related to outward growth. With the exception of Piedmont, all cities in Alameda County are likely to face increasing development pressures such as those relating to provision of services, housing, and infrastructure. Despite these pressures, cities in Alameda County adequately serve all areas within their municipal boundaries and SOIs and anticipate they will continue to do so in the foreseeable future.



***Jobs, Employed Residents, and Housing***

This study reviewed cities’ General Plans and Housing Elements in relation to regional population and growth projections prepared by ABAG.

Overall, projected housing and job growth from 2010 to 2040 for Alameda County is estimated by ABAG<sup>4</sup> as follows:

- Employment = 36% (increase of 253,200 jobs)
- Housing Units = 25% (increase of 147,990 housing units)
- Households = 29% (increase of 160,190 households)

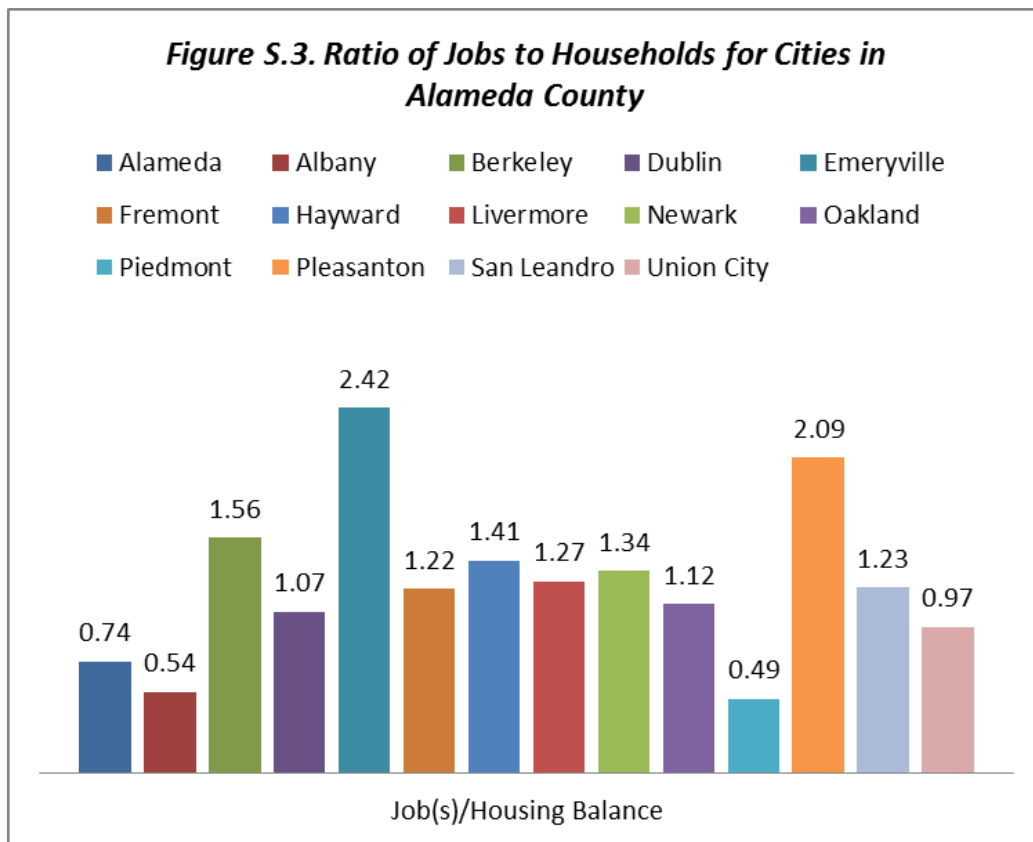
Four cities in Alameda County are projected by ABAG to be in the top 15 Bay Area cities for job growth: Oakland, Fremont, Berkeley, and Hayward. Between 2010 and 2040, Berkeley and Hayward are projected to experience a 29% growth rate in jobs, Fremont is projected to have a 33% growth rate, and Oakland is projected to see a job growth rate of 45%.

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<sup>4</sup> 2013 Projections

Three of these four cities are also projected to be in the top 15 Bay Area cities for housing growth: Oakland, Fremont, and Hayward. The City of Livermore is likely to see the highest housing growth rate in Alameda County, at 32% by 2040, followed by Oakland at 30%, Hayward at 26%, and Fremont at 24%.

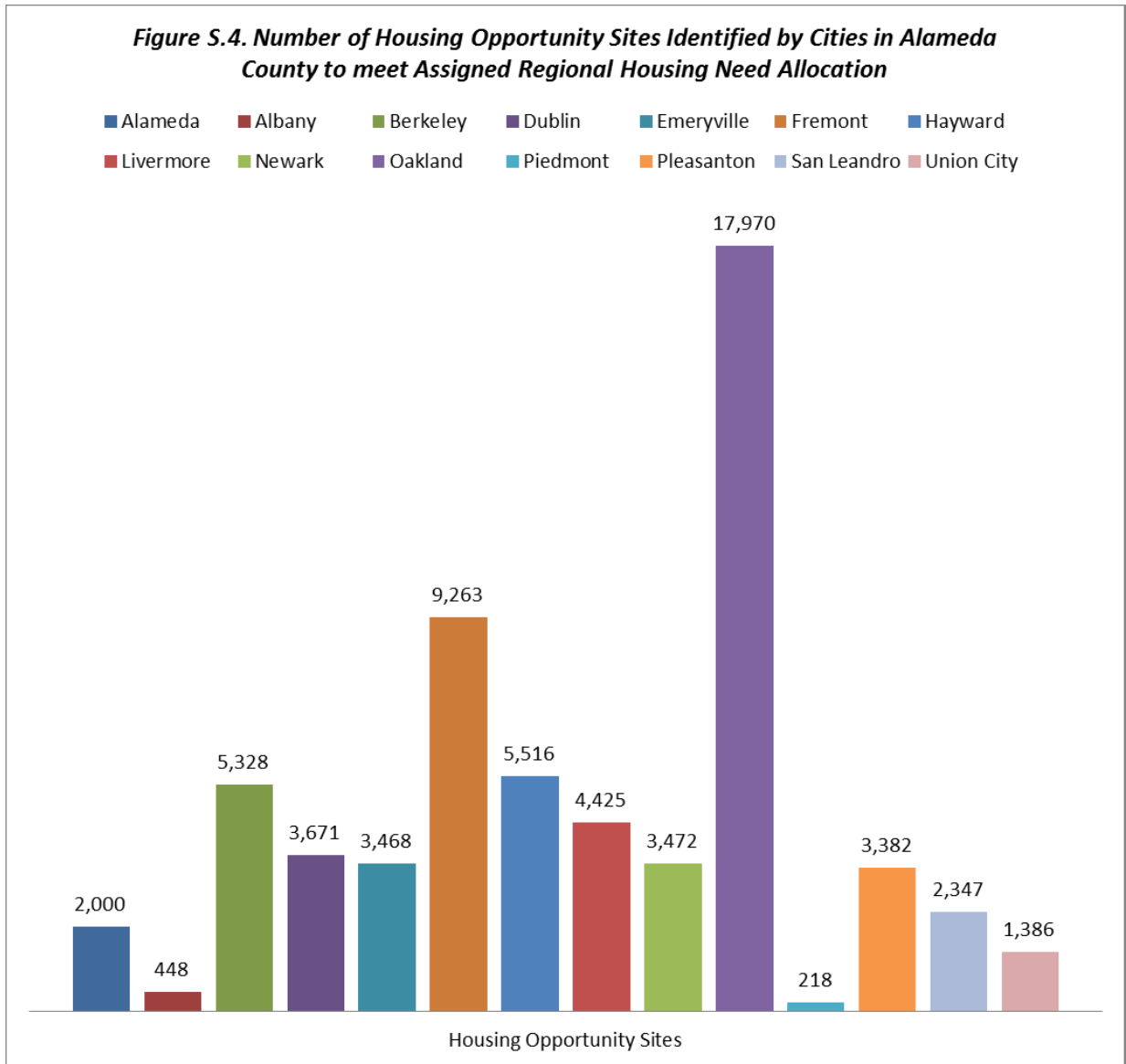
The jobs/housing ratio or balance is an urban planning tool used to measure the total job count in a jurisdiction and the total household count (i.e., occupied housing) in the same area. Benefits typically attributed to the jobs/housing balance include lower public expenditures on facilities and services, reduced driving and congestion, fewer air pollution emissions, lower costs to businesses and commuters, greater family stability, and higher quality of life. A ratio of one job for every occupied housing unit (1:1) is the ideal. Deviation from the 1:1 ratio—either too many or too few jobs relative to the number of housing units—reflects imbalance. Many cities in Alameda County are experiencing an imbalance, as shown in **Figure S.3**.



Similar to the Bay Area, the housing stock in Alameda County has not kept pace with the growth in population and jobs. New construction and building permits tend to be focused more in existing job centers, such as in Oakland, as well as in areas that were historically suburban but have added major employment hubs, such as Dublin and Fremont.

As mandated by state law, the Regional Housing Needs Allocation (RHNA) is an allocation by the regional planning agency (e.g., ABAG) of how much new housing within each jurisdiction during specified planning periods (currently, 2014–2022) is needed to meet projected population and growth. Cities use the RHNA in deciding how to address identified existing and future housing needs resulting from population, employment, and household growth, as well as in land use planning and prioritizing local resource allocation. As also mandated by state law, each city in Alameda County has developed a Housing Element as part of its General Plan, identifying how it intends to satisfy its RHNA and accommodate its assigned number of housing units by affordability level. Overall, cities in Alameda County have identified approximately 106,930 housing opportunity sites that are appropriately zoned to meet their combined RHNA of 44,036 housing units, as shown in **Figure S.4**.





**Location and Characteristics of any Disadvantaged Unincorporated Communities within or Contiguous to the Sphere of Influence**

No disadvantaged unincorporated communities (DUCs) have been identified within or contiguous to the SOI for any of the cities in Alameda County and therefore, no DUCs are relevant to the analysis contained herein.

## **Present and Planned Capacity of Public Facilities, Adequacy of Public Services, and Infrastructure Needs or Deficiencies, Including Those Related to Sewers, Water, and Fire in any Disadvantaged Unincorporated Communities within or Contiguous to the Sphere of Influence**

Overall, when accounting for the projected growth and population increases over the next five years, cities in Alameda County do not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs. Potential challenges related to infrastructure for the cities of Alameda, Albany, Berkeley, Fremont, Hayward, Livermore, Oakland, Piedmont, and San Leandro are discussed briefly below. All Cities have adopted a Climate Action Plan.

### ***Infrastructure Deficiencies or Challenges***

Local streets and roads form the foundation of a city's transportation system, providing access for motorists, bicyclists, and pedestrians to jobs, homes, schools, shopping, and recreation. The Metropolitan Transportation Commission (MTC) has established a target pavement condition index (PCI) of 75 for streets and roads in the Bay Area. While local governments continue to work to improve their pavement condition, aging infrastructure remains a challenge for the region. Several cities in Alameda County do not meet the target PCI for their roadways. The average PCI for Alameda County is 68.

The MSR Update identified 4 cities whose roadways are at risk of failing, with a PCI between 50 and 59: Albany (57), Berkeley (58), Oakland (57), and San Leandro (56). An additional 4 cities had a PCI below the MTC target, but still in the good/fair range (79–60): Alameda (69), Fremont (69), Hayward (67), Piedmont (63).

The City of Alameda identified transportation ingress and egress as well as internal traffic circulation as continued challenges for the city's future growth and emergency disaster preparedness, particularly as an island city. The City considers Alameda–Contra Costa Transit, ferry service, and transit improvement projects as important tools for addressing these challenges.

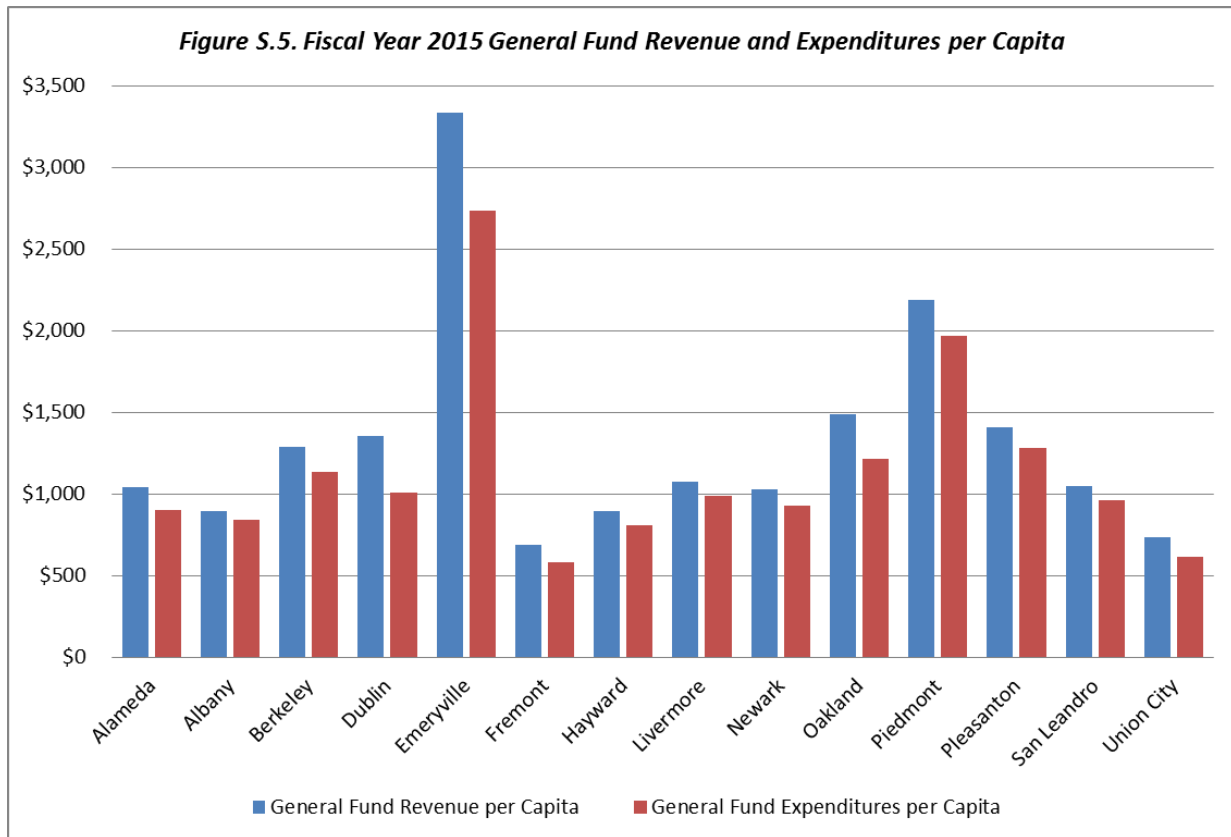
To help address their infrastructure investment need, the Hayward City Council approved the Community Development Block Grant for Promise Neighborhood Street Improvement project in FY 2015, which involves street pavement improvements for various street sections in the Jackson Triangle Area.

The City of Livermore is developing a comprehensive infrastructure repair and maintenance plan so that adequate resources are available to meet future infrastructure maintenance needs.

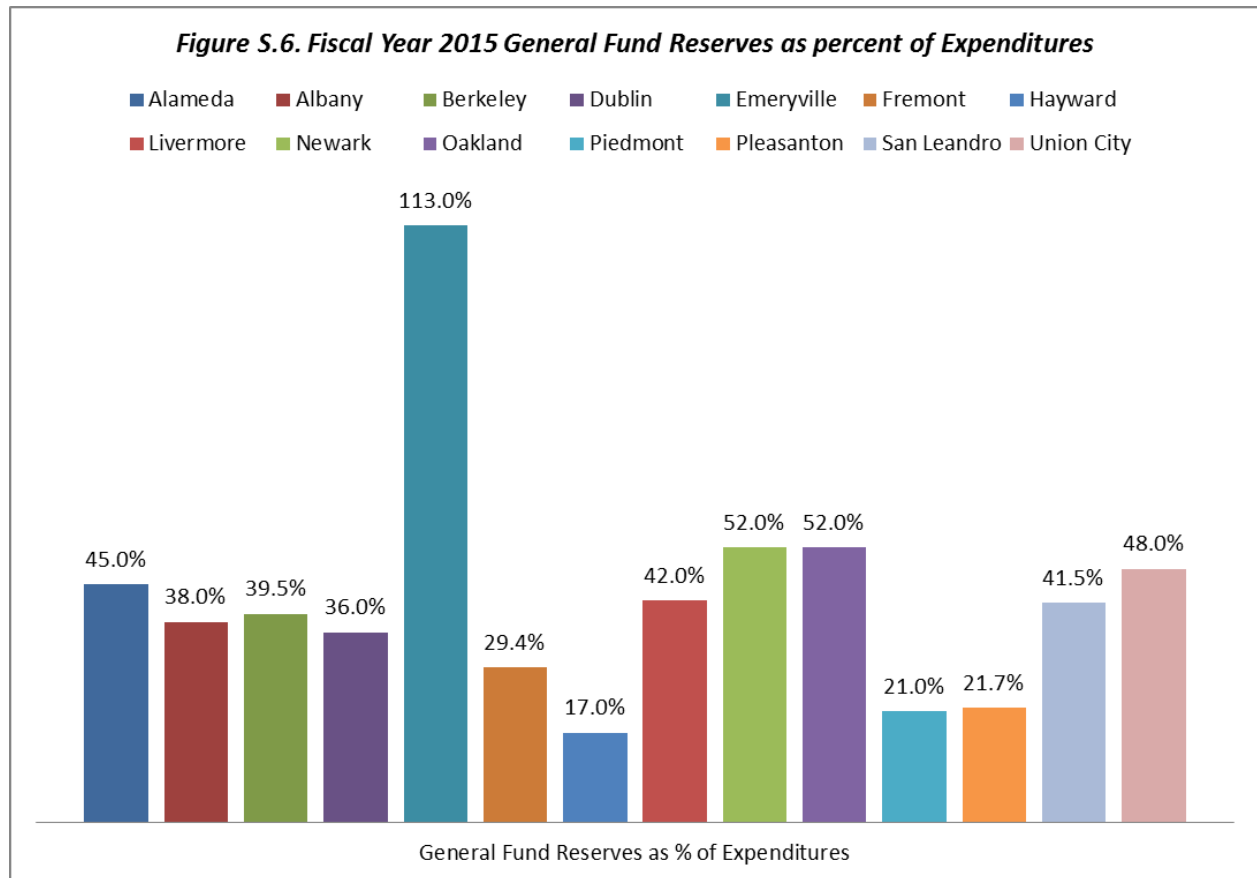
### **Financial Ability of Cities in Alameda County to Provide Services**

A number of fiscal health indicators were reviewed to determine the financial ability of cities to provide services, including general fund revenues and expenditures, general fund reserves, unfunded pension liability, general bonded debt, and liquidity.

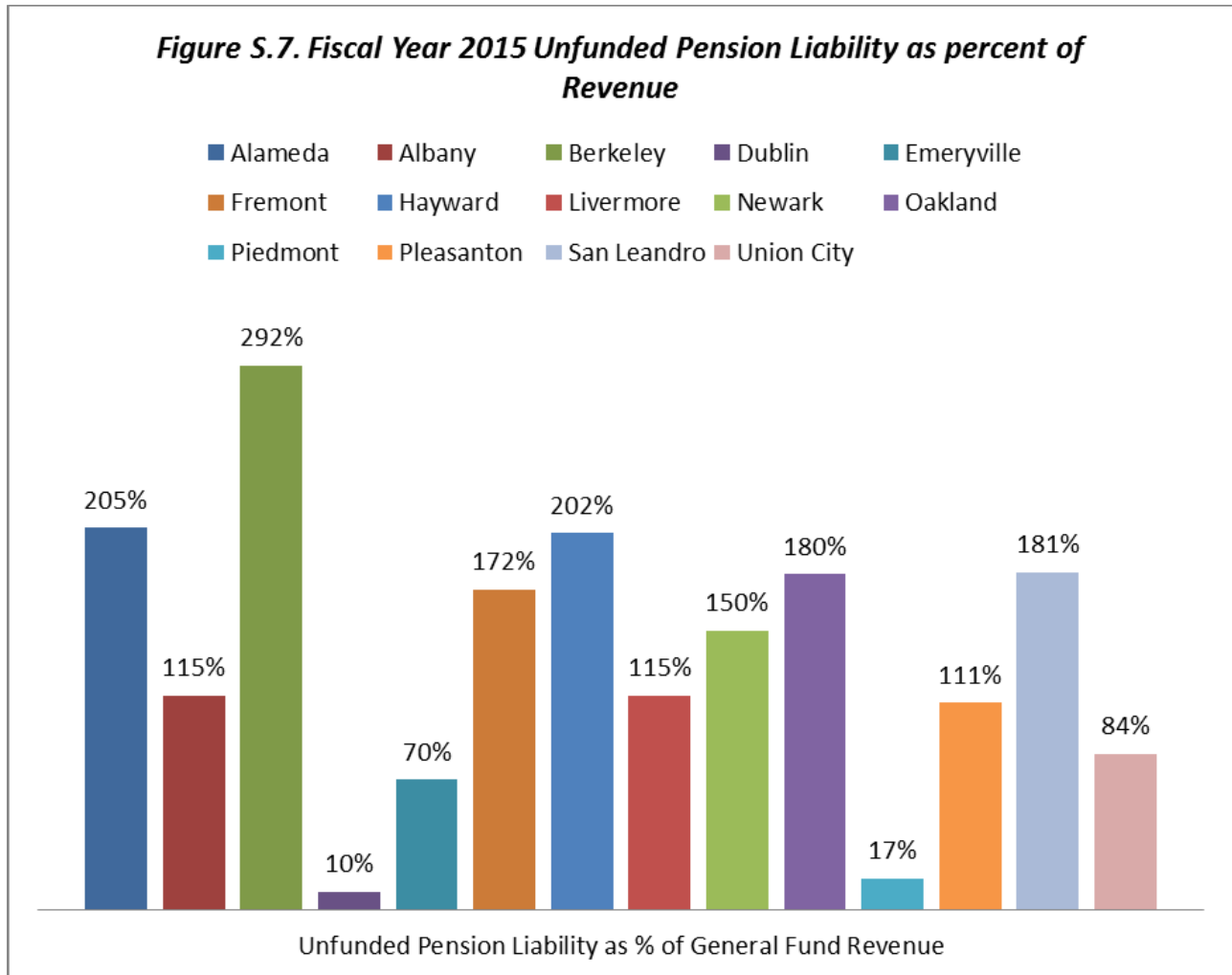
The General Fund is the primary operating fund for cities. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities (e.g., general government, public safety, community development, operations services, and community activities) of cities that are not accounted for through other funds. **Figure S.5** provides a comparison of per capita general fund revenues and expenditures for cities in Alameda County. All cities show greater revenues than expenditures on a per capita basis.



Cities in Alameda County maintain an unassigned General Fund reserve balance, under which they set aside a specific amount for economic uncertainties. A higher reserve level indicates a greater ability to maintain the existing level of services, while a lower level indicates a current or short-term need to make changes or cuts in service provision. **Figure S.6** depicts the level of reserves as a percentage of expenditures.

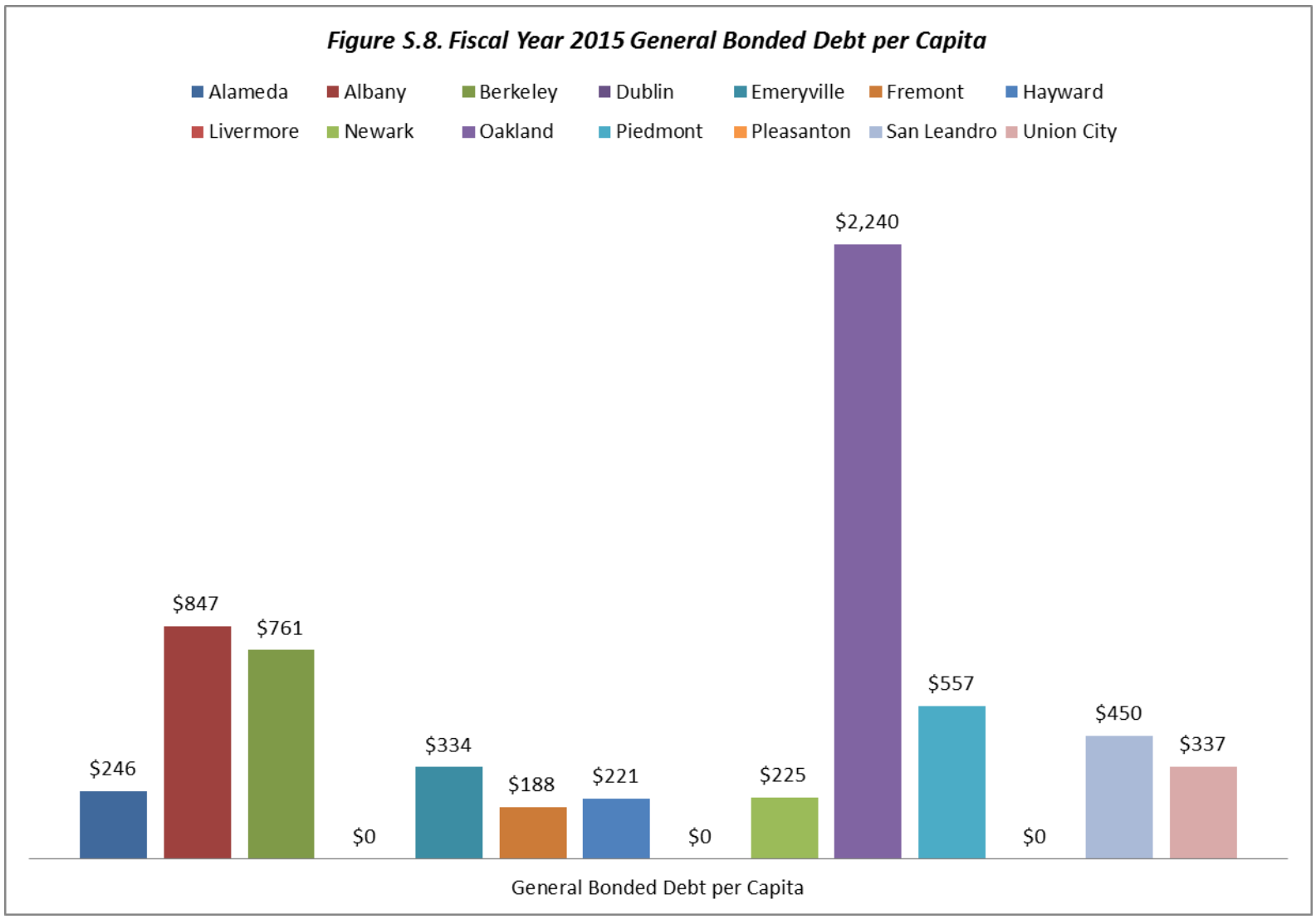


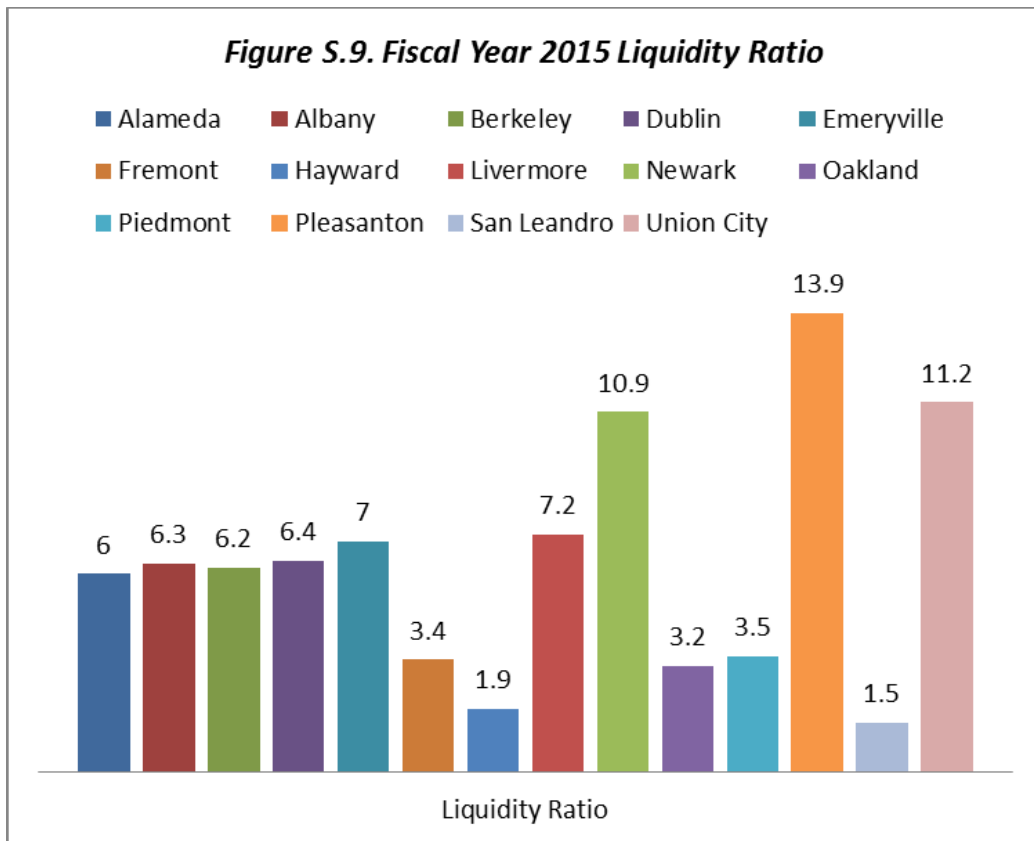
Net pension liability is payable over an extended time horizon and does not present a claim on a city’s current financial resources. Growth in unfunded pension liability, however, can increase the burden on the tax base. **Figure S.7** shows the unfunded pension liability as a percentage of city revenue. With the exception of the cities of Dublin, Emeryville, Piedmont, and Union City, cities in Alameda County reported unfunded pension liabilities exceeding 100% of revenue in FY 2015. For the cities of Alameda, Berkeley, and Hayward, their unfunded pension liabilities exceeded 200% of revenue. These rising pension costs are expected to continue and potentially reduce funding for other priorities for a majority of cities in Alameda County. A number of cities whose unfunded pension liabilities exceed 100% of revenue do not have a formal policy for funding these obligations, including Alameda, Berkeley, Fremont, Livermore, and Pleasanton. The City of Albany’s policy to fund its pension obligations is currently specific to public safety employees.



Debt also places a burden on the tax base. A municipality near its debt limit may experience reduced flexibility in meeting future capital needs, and may find its ability to borrow money in the event of an emergency greatly limited. **Figure S.8** shows the level of general bonded debt per capita for cities in Alameda County. The cities of Dublin, Livermore, and Pleasanton reported having no general bonded debt for FY 2015.

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The ratio is calculated by combining cash and short-term investments, then dividing by current liabilities; the higher the number, the greater the degree of liquidity. As shown in **Figure S.9**, cities in Alameda County have a liquidity ratio of 1.0 or higher. The cities of Hayward (1.9) and San Leandro (1.5) have the lowest liquidity ratios in the County, while the cities of Newark (10.9), Pleasanton (13.9), and Union City (11.2) have the highest ratios.





Most cities reported a net operating surplus for fiscal year 2015, with the exception of Dublin, Emeryville, and Hayward. Despite improving fiscal health, the City of Alameda continues to expect General Fund deficits in the foreseeable future, which may affect its ability to provide services.

For the City of Newark, the rate of recovery from the recession has been slow and conservative revenue growth is anticipated for the next two years. The City's capital reserves are limited and growth is dependent on budget surpluses; assignment of surplus funds is dependent on the continuation of the utility users tax.

With a low reserve level<sup>5</sup> and liquidity ratio, a high level of unfunded pension liability, and continued deficits, the City of Hayward shows signs of fiscal challenges that may have an impact on its ability to provide services in the future.

This MSR Update finds that overall, and despite some potential fiscal challenges, cities in Alameda County appear to have sufficient financial resources to accommodate infrastructure expansion, improvements, or replacement.

<sup>5</sup> As identified by the Government Finance Officers Association, 17% is the minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

## Status and Opportunities for Shared Facilities

Sharing facilities and services allows cities to reduce operating costs or maximize staffing without compromising service levels. Alameda LAFCo is required to prepare a written determination on the status of, and opportunities for, shared facilities as part of the municipal service review process. Cities reported the following shared services and activities with other service providers:

**Animal Control**—The City of Berkeley shares animal control services and facilities with the cities of Albany, Emeryville, and Piedmont. The cities of Dublin, Livermore, and Pleasanton share animal control services and facilities via the East County Animal Shelter. The City of Fremont shares animal control services and facilities with the cities of Newark, San Leandro, and Union City via the Tri-City Shelter.

**Fire and Emergency Response**—The City of Berkeley shares fire and emergency response services and facilities via automatic aid and mutual aid agreements with the City of Albany, Town of Kensington, and Tilden Park (Moraga-Orinda Fire Protection District for Fire Response). The cities of Livermore and Pleasanton share fire and emergency response services and facilities (Livermore-Pleasanton Fire Department). The City of Oakland shares fire and emergency response services and facilities via existing mutual aid agreements with Alameda County, and the cities of Albany, Berkeley, Emeryville (via ACFD), Piedmont, and the East Bay Regional Park District. Alameda County provides fire and/or emergency response services and facilities to the cities of Dublin, Emeryville, Fremont, Livermore, Newark, and Union City. From 2011 to 2013, the cities of Albany and Piedmont shared a fire chief; however, this arrangement was not beneficial and the agreement was terminated.

**Law Enforcement**—The cities of Fremont and Union City recently finalized consolidation of emergency call center facilities and services.

**Library**—The City of Oakland shares library services and facilities with the cities of Emeryville and Piedmont. Alameda County provides library services to the cities of Fremont, Newark, and Union City.

**Parks and Recreation**—East Bay Regional Parks District provides parks and recreation services and facilities to the cities of Fremont, Hayward, and Pleasanton.

**Solid Waste**—The City of Piedmont provides garbage service to a small number of Oakland homes outside the SOI and municipal boundary due to the geographic restrictions of the area and the size of the streets.

The MSR Update did not identify duplication of existing or planned facilities among service providers. All cities in Alameda County anticipate they have the service and facility capacity to accommodate projected growth.



## **Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

All cities in Alameda County effectively provide accountability for community service needs, including governmental structure and operational efficiencies. Cities make available agendas, budgets, and financial information on their municipal websites. Cities also make available the General Plan and its various elements. Cities publish the time and place for the public to provide input prior to making decisions.

Most cities prepared and published their certified annual financial reports within 6 months of the fiscal year end (by December), which the Governmental Accounting Standards Board considers to be adequate. The cities of Alameda, Albany, Dublin, and Piedmont prepared and published their certified annual financial reports approximately 8 to 9 months after fiscal year end.

## **Summary of Sphere of Influence Determinations for Cities in Alameda County**

### **Sphere of Influence Recommendations**

Many of the western cities in Alameda County are surrounded by other cities and some are bordered by the San Francisco Bay, which inhibits the extension of SOIs. This report therefore recommends that Alameda LAFCo maintain and reaffirm the existing SOI for the following cities:

- City of Alameda
- City of Albany
- City of Berkeley
- City of Dublin
- City of Emeryville
- City of Fremont
- City of Hayward
- City of Newark
- City of Oakland
- City of Piedmont
- City of San Leandro
- City of Union City

This report recommends that Alameda LAFCo modify the existing SOI for the City of Pleasanton so that it is coterminous with State Route 84. This report also recommends that Alameda LAFCo consider modifying the existing SOI for the City of Pleasanton to include the former Pleasanton Township County Water District (Castlewood, parts of Sunol, and Santos Ranch Road) area.

This report recommends that Alameda LAFCo consider the feasibility of incorporating into the SOIs of Livermore and Pleasanton the existing quarry area between these two cities. This quarry area would then be part of a shared SOI between the City of Livermore and the City of

Pleasanton with conditions (to be determined by LAFCo) attached regarding future planning for this unincorporated area.

This report recommends that Alameda LAFCo consider encouraging the City of Alameda and the City and County of San Francisco to consider reorganization of the western portion of Alameda Island so that it would be within a modified SOI for the City of Alameda.

This report also recommends that Alameda LAFCo encourage the cities of Berkeley and Oakland to consider the reorganization of territory in the Panoramic Hill area.

## **Sphere of Influence Determinations**

Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination as part of the review of the existing SOI for each city. The determinations in this MSR Update have been summarized below by the determination criteria.

### ***The present and planned land uses (including agricultural and open-space lands)***

Cities in Alameda County plan for a variety of urban land uses within their boundaries, representing a continuation of the current mix of uses. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan for each City.

### ***The present and probable need for public facilities and services***

There are no anticipated changes in the type of public services and facilities required within the SOIs for cities in Alameda County. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.

### ***The present and probable future capacity of public facilities and services***

The present capacity of public facilities for cities in Alameda County appears adequate. Cities anticipate they will continue to have adequate capacity during the next five years.

### ***The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency***

All communities of interest within city municipal boundaries are also included within the city SOIs, with the exception of the City of Hayward. Not all communities of interest within Hayward's municipal boundary are included within the SOI as the SOI is smaller than the municipal boundary. The unincorporated communities of Castle Homes and Fairview are considered communities of interest because they receive water, sewer, and fire protection services from the City of Hayward.

*For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence*

There are no DUCs within or contiguous to the SOIs for the cities reviewed in this MSR or for those cities with recommended updates to their SOIs (Pleasanton and Livermore). Therefore no present or probable need for sewer, water, or fire protection facilities and services for DUCs.



# Chapter 1

## Introduction

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This chapter provides an overview of the history, powers, and responsibilities of California Local Agency Formation Commissions (LAFCo) and discusses the origins and legal requirements for preparing municipal service reviews (MSRs). This chapter also explains spheres of influence (SOIs) and the legal and procedural requirements for updating them. Finally, the chapter discusses the current Alameda LAFCo process for MSR review, MSR approval, and SOI updates for each of the cities within Alameda County.

### 1.1 Background

California experienced dramatic population and economic growth after World War II, resulting in a demand for housing, jobs, and public services. Many new local government agencies were formed to accommodate this demand, often with little forethought as to the ultimate governance structures in a given region, and existing agencies often competed for expansion areas. The lack of coordination and adequate planning led to a multitude of overlapping, inefficient jurisdictional and service boundaries, and the premature conversion of California's agricultural and open space lands.

Recognizing this problem, Governor Edmund G. Brown, Sr. appointed the Commission on Metropolitan Area Problems in 1959. Their charge was to study and make recommendations on the misuse of land resources and the growing complexity of local governmental jurisdictions. The Commission's recommendations on local governmental reorganization were introduced in the State Legislature in 1963, resulting in the creation of a LAFCo operating in every California county.

#### 1.1.1 Local Agency Formation Commission Overview

A LAFCo is a countywide agency formed to discourage urban sprawl and encourage the orderly formation and development of local government agencies. The efforts of LAFCos are directed toward seeing that services are provided efficiently and economically while agricultural and open space lands are protected. LAFCos are responsible for coordinating logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers, and dissolutions of districts, as well as reviewing ways to reorganize, simplify, and streamline governmental structure.

#### 1.1.2 The Role of Local Agency Formation Commissions

LAFCos have both regulatory and planning powers. They use their planning powers to influence land use and they use their regulatory powers to control city and special district boundaries.

LAFcos cannot regulate land use, dictate how an agency should operate, or set rates; they can, however, make decisions and enact policies that indirectly affect land use decisions. On a regional level, LAFcos promote logical and orderly development of a community through reconciling differences between agency plans so that the most efficient urban service arrangements are created for the benefit of area residents and property owners.

LAFcos can regulate boundary changes proposed by public agencies or individuals and the extension of public services by cities and special districts outside their boundaries. LAFcos are empowered to initiate updates to the SOIs of agencies under their jurisdiction and proposals involving the formation, dissolution, or consolidation of special districts, mergers, establishment of subsidiary districts, and any reorganization including such actions.

To better inform itself and the community as it seeks to exercise its charge, each LAFCo regularly reviews the provision of city services within the county. These MSR reviews inform the evaluation and update of SOIs, which are planning areas where cities expect to provide services such as critical infrastructure, libraries, parks, and public safety.

### ***1.1.2.1 Municipal Service Reviews***

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) established the requirement for LAFcos to conduct regular reviews of local municipal services. The requirement for service reviews arises from the identified need for a more coordinated and efficient public service structure to support California's anticipated growth.

In general, municipal services are the full range of services that a public agency provides or is authorized to provide. Under the CKH Act, LAFcos are required to review only those services provided by agencies with SOIs. California Government Code §56430 states that prior to preparing and updating an SOI, LAFcos must first conduct a review of the municipal services provided in the county or other appropriate designated area. General county government services, such as courts and social services, are not required to be reviewed. As part of the MSR process, LAFcos prepare written determinations for the following topics:

- Growth and population projections for the affected area
- Location and characteristics of Disadvantaged Unincorporated Communities within or contiguous to the SOI
- Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies
- Financial ability of the agency to provide services
- Status of and opportunities for shared facilities
- Accountability for community service needs, including governmental structure and operational efficiencies
- Accountability for community service needs, including governmental structure and operational efficiencies

The information, recommendations, and determinations contained in an MSR are intended to guide and inform decisions regarding updates to SOIs, changes of organization and reorganizations, and service extension decisions.

### *1.1.2.2 Spheres of Influence*

An SOI is a LAFCo-approved plan that designates an agency's probable future boundary and service area. SOIs are planning tools used to provide guidance for individual boundary change proposals. The purposes of an SOI are to encourage and ensure the efficient provision of services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services. Territory cannot be annexed to a city or district unless it is within that agency's SOI.

The CKH Act requires LAFCOs to develop and determine the SOI of each local governmental agency under LAFCo jurisdiction within the county, and to review and update the SOI every five years. LAFCOs are empowered to adopt, update, and amend the SOI. They may do so with or without an application, and any interested person may submit an application proposing an SOI amendment.

In adopting or amending an SOI, LAFCOs shall consider and prepare a written statement of its determinations with respect to each of the following pursuant to Government Code §56425(e):

- Present and planned land uses in the area, including agricultural and open-space lands
- Present and probable need for public facilities and services
- Present capacity of public facilities and adequacy of public services
- Existence of any social or economic communities of interest if the commission determines that they are relevant to the agency.
- For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The CKH Act stipulates several procedural requirements in updating SOIs. It requires that special districts file written statements on the class of services provided, and that LAFCOs clearly establish the location, nature, and extent of services provided by special districts.

LAFCOs must notify affected agencies and interested parties 21 days before holding the public hearing to consider updating or amending the SOI, and may not update the SOI until after that hearing. The LAFCo Executive Officer must issue a report including recommendations on the SOI amendments and updates under consideration at least five days before the public hearing.

### 1.1.3 Regional Influence of Local Agency Formation Commissions

The CKH Act assigns LAFCos a prominent role in regional planning issues by charging each LAFCo to consider a wide range of land use and growth factors when it acts on matters under its jurisdiction. Under California Government Code §56001, LAFCos have broad statutory responsibility to consider planned, orderly, efficient patterns of urban development that may assist in preserving agricultural lands and achieving a share of the region's housing needs.

Through participation in the General Plan process, LAFCos can have a powerful influence on local and regional land use decisions. LAFCo must consider consistency with local General Plans when it makes boundary decisions, but LAFCo also has the ability to influence the nature of those local General Plans through active participation in their development.

Regional planning initiatives, such as habitat conservation plans, regional transportation plans, and regional housing need allocations (RHNA's), are another opportunity for LAFCo to collaborate with planning agencies and encourage development of coordinated goals and policies. California jurisdictions are required to demonstrate in their General Plan Housing Element how they will meet the housing needs as allocated in the Regional Housing Need Plan.<sup>1</sup>

The process of conducting regular MSRs helps contextualize the relationship between service options and regional issues, goals, and policies, and serves as an opportunity to encourage collaboration with planning agencies on important policy issues.

#### 1.1.3.1 Regional Planning and Alameda County

##### *Plan Bay Area*

For over a decade, local governments and regional agencies have been working together to encourage the growth of jobs and production of housing in areas supported by amenities and infrastructure. Plan Bay Area,<sup>2</sup> developed and approved by the Association of Bay Area Governments (ABAG) Executive Board and by the Metropolitan Transportation Commission (MTC) in July 2013, is a long-range integrated transportation and land use/housing strategy for the San Francisco Bay Area, including Alameda County.<sup>3</sup>

Plan Bay Area is the regional response to California Senate Bill 375 – The California Sustainable Communities and Climate Protection Act of 2008, which requires the state's metropolitan areas to reduce greenhouse gas emissions from cars and light trucks. Plan Bay Area directs new growth within existing urban footprints, locally adopted urban growth boundaries, and along

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<sup>1</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>2</sup> Plan Bay Area Regional Transportation Plan and Sustainable Communities Strategy for the San Francisco Bay Area 2013–2040, ABAG and MTC, 2013.

<sup>3</sup> This MSR Update uses data from the 2013 Plan Bay Area. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040..



major transit corridors, which is anticipated to provide more development in pedestrian- and bike-friendly areas that are close to public transit, jobs, schools, shopping, recreation, and other amenities.<sup>4</sup> Directing growth to these areas has the ancillary effect of protecting farmland, open space, and natural resources in the Bay Area, and is in line with the goals of LAFCos.

As part of the Plan Bay Area development process, local jurisdictions have identified Priority Development Areas (PDAs) and Priority Conservation Areas (PCAs), forming the implementing framework. PDAs are areas where new development will support the day-to-day needs of residents and workers in a pedestrian-friendly environment served by transit. PCAs are areas of regionally significant open space facing development pressure and for which there is a broad consensus for long-term protection. Promoting development within PDAs reduces development pressure on open space and agricultural lands—a key interest of LAFCos. Municipalities in Alameda County (with the exception of Piedmont) have identified at least one PDA within their boundaries. Alameda County has also identified PDAs within urbanized unincorporated areas.

### *Save Agriculture and Open Space Lands Initiative*

To reduce development pressure on open space and agricultural lands in Alameda County, voters approved the Save Agriculture and Open Space Lands Initiative (Measure D; effective December 22, 2000). Measure D amended portions of the County General Plan to preserve and enhance agriculture and agricultural lands, and to protect the natural qualities, wildlife habitats, watersheds, and open space in Alameda County. Measure D establishes an Urban Growth Boundary for the County, focusing urban-type development in and near existing cities where it will be efficiently served by public facilities (consistent with LAFCo and Plan Bay Area goals). Measure D also places limits on development on parcels with General Plan designations of Large Parcel Agriculture, Resource Management, or Water Management. The Measure imposed an Urban Growth Boundary around the cities of Dublin, Livermore, and Pleasanton in the East County area. The East County Area Plan was subsequently amended to incorporate Measure D. The requirements of Measure D are implemented on an ongoing basis as development proposals are reviewed for consistency with its provisions. Alameda County recently reviewed the positive and negative impacts of Measure D and decided to establish a working group composed of various stakeholders to identify potential changes to Measure D.

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<sup>4</sup> Local jurisdictions maintain control of all decisions to adopt plans and permit or deny development projects.

## 1.2 Alameda LAFCo Municipal Service Review and Sphere of Influence Update

The MSR process provides Alameda LAFCo with a tool to comprehensively study existing and future public service conditions and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently in the County.

The MSR process does not require LAFCos to initiate changes of organization based on service review findings; it only requires that LAFCos identify potential government structure options and determine their advantages and disadvantages per Government Code Section 56430. LAFCos, other local agencies, and the public may subsequently use the determinations to analyze prospective changes of organization or reorganization or to establish or amend SOIs.

The type of MSR being conducted by the Alameda LAFCo is exempt from California Environmental Quality Act (CEQA) pursuant to §15262 (feasibility or planning studies) or §15306 (information collection) of the CEQA Guidelines. Alameda LAFCo's actions to adopt MSR determinations are not generally considered projects subject to CEQA.

MSR determinations may be closely followed by LAFCo actions to update various SOIs. A CEQA determination will then be made on a case-by-case basis once the proposed project characteristics are clearly identified. The ultimate outcome of conducting a service review may result in Alameda LAFCo acting with respect to a recommended change of organization or reorganization on its own initiative, at the request of any agency, or in response to a landowner or registered voter petition. The following factors will be considered in making the determinations for each city under Alameda LAFCo's jurisdiction:

- Growth and population projections
- Location and characteristics of any disadvantaged unincorporated communities (DUCs) within or contiguous to the SOI
- Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies, including those related to sewers, water, and fire in any DUCs within or contiguous to the SOI
- Financial ability of agencies to provide services
- Status of and opportunities for shared facilities
- Accountability for community service needs, including governmental structure and operational efficiencies

For SOI updates and amendments, LAFCo is required to consider and make written determinations with respect to each of the following:

- The present and planned land uses in the area, including agricultural and open-space lands.
- The present and probable need for public facilities and services in the area.

- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
- For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Additionally, Alameda LAFCo considers the following, as required by commission policy, when considering potential and specific modifications to SOIs:

- The service capacity, levels, and types of services currently provided by the agency and the areas where these services are provided, topographic factors, financial capabilities, costs of service, and social and economic interdependencies
- Existing and planned land uses and land use policies including consistency with county and city General Plans, regional and state plans, and special district master service plans
- Projected growth in the affected area, and potential effects on agricultural and open space lands
- A description of the services that will be provided to any areas which may be added to the SOI and the timing and method for funding expansion of facilities or services
- An analysis of the effects a proposed SOI may have on other agencies and their service capabilities including improved or diminished service levels, potential duplication of services and underutilization of public infrastructure due to ineffective planning
- The opportunity for infill development of incorporated vacant lands located adjacent to or within already developed areas rather than SOI expansions
- The potential for political and functional consolidations or other reorganizations when boundaries divide communities
- The location or use of sewerage facilities, either developed or planned, police and fire protection service, waste disposal, provision of water transmission mains, water supply either planned or developed, parks and recreation services, compatible street circulation, economic and social relationships, geographic or natural topographic features such as rivers, ridge lines, and ravines, and man-made barriers, such as freeways, major streets, and railroads

### **1.2.1 Progress since the 2008 Municipal Service Review**

The first round MSRs Alameda LAFCo prepared in 2008 were organized by type of service and considered how similar services (e.g., animal control, law enforcement, library services) were provided across jurisdictional lines throughout all cities in the County.

The 2008 MSR consisted of three volumes. Volume I—Public Safety Services, included a review of emergency services (e.g., health care, fire and emergency medical, and police services) in 8 special districts and the 14 cities in Alameda County. Volume II—Utility Services included a

review of water, wastewater, flood control, stormwater, and solid waste services in 16 special districts and the cities in Alameda County. Volume III—Community Services included a review of street maintenance, park and recreation, library, vector control and mosquito abatement, and lead abatement services in 16 special districts and the cities in Alameda County.

Several policy issues and recommendations resulted from the 2008 MSR process, as shown in **Table 1.1**.

**TABLE 1.1**  
**STATUS OF RECOMMENDATIONS FROM THE 2008 MUNICIPAL SERVICE REVIEWS**

Recommendation	Status
<i>City of Alameda</i>	
Encourage the Alameda County Flood Control Water Conservation District to work with the City of Alameda to discuss potential benefits of inclusion within a service zone.	Service zones have not been created. Creation of a service zone cannot be initiated by Alameda LAFCo.
<i>City of Albany</i>	
Encourage the Alameda County Mosquito Abatement District to initiate annexation of the territory within the Albany City limits.	Annexation has not been initiated. The District and the City have periodically held annexation discussions.
Encourage the Alameda County Flood Control Water Conservation District to work with the City of Albany to discuss potential benefits of inclusion within a service zone.	Service zones have not been created. Creation of a service zone cannot be initiated by Alameda LAFCo.
<i>City of Berkeley</i>	
Encourage the cities of Berkeley and Oakland to initiate the reorganization of territory in the Panoramic Hill area.	Reorganization has not been initiated, nor has either City indicated interest in doing so.
Encourage the Alameda County Flood Control Water Conservation District to work with the City of Berkeley to discuss potential benefits of inclusion within a service zone.	Service zones have not been created. Creation of a service zone cannot be initiated by Alameda LAFCo.
<i>City of Dublin</i>	
Encourage the County to initiate detachment of territory within the Dublin City limits from the Street Lighting County Service Area	Detachment has not been initiated.
<i>City of Hayward</i>	
Encourage the City of Hayward to annex, where appropriate, various islands & fringe areas including those currently receiving service.	All Mt. Eden island areas have been annexed into the City of Hayward.
<i>City of Livermore</i>	
Encourage the City of Livermore to annex, where appropriate, various islands & fringe areas including those currently receiving service.	The City annexed the Hilliker Lane area south of Las Positas Road. The City is working with the land owners in the Pleasant View/Arroyo Road island area to annex that territory.

<i>City of Oakland</i>	
Encourage the cities of Oakland and Berkeley to initiate the reorganization of territory in the Panoramic Hill area.	Reorganization has not been initiated, nor has either City indicated interest in doing so.
Encourage the City of Oakland to annex, where appropriate, various islands & fringe areas including those currently receiving service.	Annexation has not been requested.
Encourage Alameda and Contra Costa counties to explore options to enable efficient delivery of services to territory within, but not accessible to Contra Costa County (i.e. Skyline Blvd.), including annexations to Oakland and (East Bay Municipal Utility District) EBMUD and adjustments to the County lines, and to assist the agencies where appropriate.	Annexation has not been requested.
<i>City of Pleasanton</i>	
Encourage the City of Pleasanton to annex, where appropriate, various islands & fringe areas including those currently receiving service.	Annexation has not been requested. In 2017, Pleasanton completed an infrastructure study of the Happy Valley unincorporated area, and LAFCo has authorized funding for an infrastructure study of the unincorporated Remen Tract area.
<i>City of Piedmont</i>	
Encourage the Alameda County Flood Control Water Conservation District to work with the City of Piedmont to discuss potential benefits of inclusion within a service zone.	Service zones have not been created. Creation of a service zone cannot be initiated by Alameda LAFCo.

This MSR update does not consider the services provided by special districts, such as the Alameda County Flood Control Water Conservation District, or by County Service Areas, such as the Street Lighting County Service Area.

### 1.2.2 Organization of this Municipal Service Review Update

The type-of-service approach of the 2008 MSR process conveyed the range of service delivery standards and performance throughout the County and provided Alameda LAFCo and the public with a Countywide perspective. That approach lacked focus, however, on each jurisdiction as a municipal service provider and its intentions and abilities with regard to growth, which Alameda LAFCo sees as being more relevant in considering updates to city SOIs (the stated purpose of MSRs under the CKH Act). Accordingly, the current MSR is organized by jurisdiction.

The Alameda LAFCo MSR Update uses fiscal year (FY) 2015 data to assess current practices and explore future opportunities for collaboration among cities and other local agencies or organizations to achieve common goals and efficient delivery of services. This MSR will also

serve as the basis for SOI update recommendations.<sup>5</sup> The MSR provides an overview of the services provided by each agency. The review is performed at a high level and does not evaluate services that are provided by each city at a detailed level. The review will help determine efficient service provision, open space and agricultural land preservation, as well as sprawl prevention and infill development efforts of each city. The following service areas are reviewed for each of the 14 incorporated cities in Alameda County:

- Animal Control/Vector Control
- Fire Protection
- Law Enforcement
- Library
- Lighting
- Parks and Recreation
- Planning/Building
- Solid Waste
- Streets
- Utilities and Broadband

In addition to these municipal services, the report includes limited information on other services provided by and/or for the cities, such as mosquito abatement, stormwater, water, and wastewater. Stormwater, water, and wastewater services will be reviewed during a separate process.

### 1.2.3 Methodology

The service areas of greatest importance to Alameda LAFCo were identified at the outset of the process, in addition to the types of data required, a timeline for data collection, and criteria to be used when making the MSR and SOI determinations required as part of this report.

Although some of the data required to develop the current MSR were obtained from the 2008 MSRs, most of the data were gathered either from existing readily available sources (e.g., US Census, ABAG, Department of Finance, city and county websites) or from the cities themselves via questionnaires which were distributed to each city. The Alameda LAFCo Executive Officer offered city staff the opportunity to meet individually and discuss the MSR and SOI update process.

A comprehensive review of publicly available documents was conducted to understand the current services and service levels the 14 cities provide. Comprehensive annual financial reports,

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<sup>5</sup> FY 2015 data was the most current data available during the information gathering and document development processes for this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.

General Plans, US Census data, and ABAG projections were reviewed during the initial data collection process.

To assist in gathering the data necessary for the MSR, a City Profile was distributed to each city with a request to verify and supplement the data where possible. Each City Profile focused on five specific areas that are relevant to MSRs in considering SOI updates: Agency Overview; Growth and Population; Boundaries, Islands, and Disadvantaged Unincorporated Communities; City Services; and Financial Information. Information gathered for the City Profiles also serves as a baseline resource for Alameda LAFCo in its next MSR update effort.

Following the city's verification and supplementation of the City Profile data, a draft profile chapter was prepared for each agency. The profiles, which include information collected from publicly available data sources and completed City Profiles, summarize service delivery and any key issues facing the cities. In some instances, the data requested was not provided in time to be included in this draft MSR.

Proposed evaluation criteria for making the MSR determinations were presented to Alameda LAFCo at their May 12, 2016 meeting. Alameda LAFCo approved the following criteria for each determination area, shown in **Table 1.2**.

**TABLE 1.2**  
**EVALUATION CRITERIA FOR DETERMINATIONS**

Determination Area	Criteria
Growth and population projections for the affected area	<ul style="list-style-type: none"> <li>• Projected growth and demographic changes in and around the agency's service areas based on ABAG population projections</li> <li>• Anticipated growth patterns based on Plan Bay Area and agency General Plans</li> </ul>
Location and characteristics of Disadvantaged Unincorporated Communities within or contiguous to the SOI	<ul style="list-style-type: none"> <li>• Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.</li> </ul>
Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies	<ul style="list-style-type: none"> <li>• Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth</li> <li>• Service-level deficiencies identified based on current service levels and anticipated growth</li> <li>• Consistency with capital improvement plans</li> <li>• Consistency with local and regional land use plans and policies</li> </ul>
Financial ability of the agency to provide services	<ul style="list-style-type: none"> <li>• Operating General Fund deficit and surplus trends for the past five years</li> <li>• Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing</li> <li>• Unreserved General Fund reserves as a percent of operating</li> </ul>

Determination Area	Criteria
	<p>expenditures for most recent fiscal year</p> <ul style="list-style-type: none"> <li>• Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year</li> <li>• Timeliness and accuracy of financial reporting by ensuring that the State Controller’s Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end</li> </ul>
<p>Status of and opportunities for shared facilities</p>	<ul style="list-style-type: none"> <li>• Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas</li> <li>• Duplication of existing or planned facilities of other service providers</li> <li>• Availability of excess capacity to serve customers of other agencies</li> </ul>
<p>Accountability for community service needs, including governmental structure and operational efficiencies</p>	<ul style="list-style-type: none"> <li>• Availability of agendas, budget and financial information on the agency’s website</li> <li>• Availability of the General Plan and various elements on the agency’s website</li> <li>• Time and place for public to provide input prior to decision being made</li> </ul>

For each of the service areas being reviewed, a list of service level statistics was compiled to help determine the adequacy of public services provided by each city. These city-specific service level statistics are provided in Attachment A. Adopted city plans (e.g., General Plan, specific plans, strategic plans) that were reported during the data gathering effort are listed in Attachment B.

### 1.2.4 Public Involvement

A major goal of the CKH Act amendments was to increase public participation in public service planning and delivery. Consistent with that goal, public notice requirements for all LAFCo processes were strengthened or augmented. LAFCOs were also required to adopt service review determinations in a public forum.

LAFCOs encourage and provide multiple public participation opportunities in the municipal service review process. To this end, LAFCOs develop and maintain a list of interested parties to whom such outreach can be extended. Public comments are considered and incorporated into the MSR process and reports where appropriate and feasible.

This draft MSR Update for cities in Alameda County has been prepared for Alameda LAFCo review and public comment. Subsequent to the review and comment period and public hearings, a final report will be produced for anticipated adoption by Alameda LAFCo.



# Chapter 2

## City of Alameda

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### 2.1 Agency Overview



The City of Alameda, incorporated in 1854, covers an area of 10.6 square miles. The 2010 U.S. Census Bureau data shows the population as 73,812. The California Department of Finance estimates the January 1, 2016 population as 79,277. The City has a population density of approximately 7,478 persons per square mile.

The City of Alameda is an island, with the City of Oakland on the northeast and the City and County of San Francisco on the west. Land uses in the City include a mix of residential, business, commercial, industrial, recreation, open space, public, and federal. The Sphere of Influence (SOI) for the City of Alameda extends into the estuary between Alameda and Oakland and into the San Francisco Bay, as shown in **Figure 2.1**. The City and County of San Francisco boundary includes a small portion of territory in the northwest corner of the island that otherwise includes the City of Alameda.

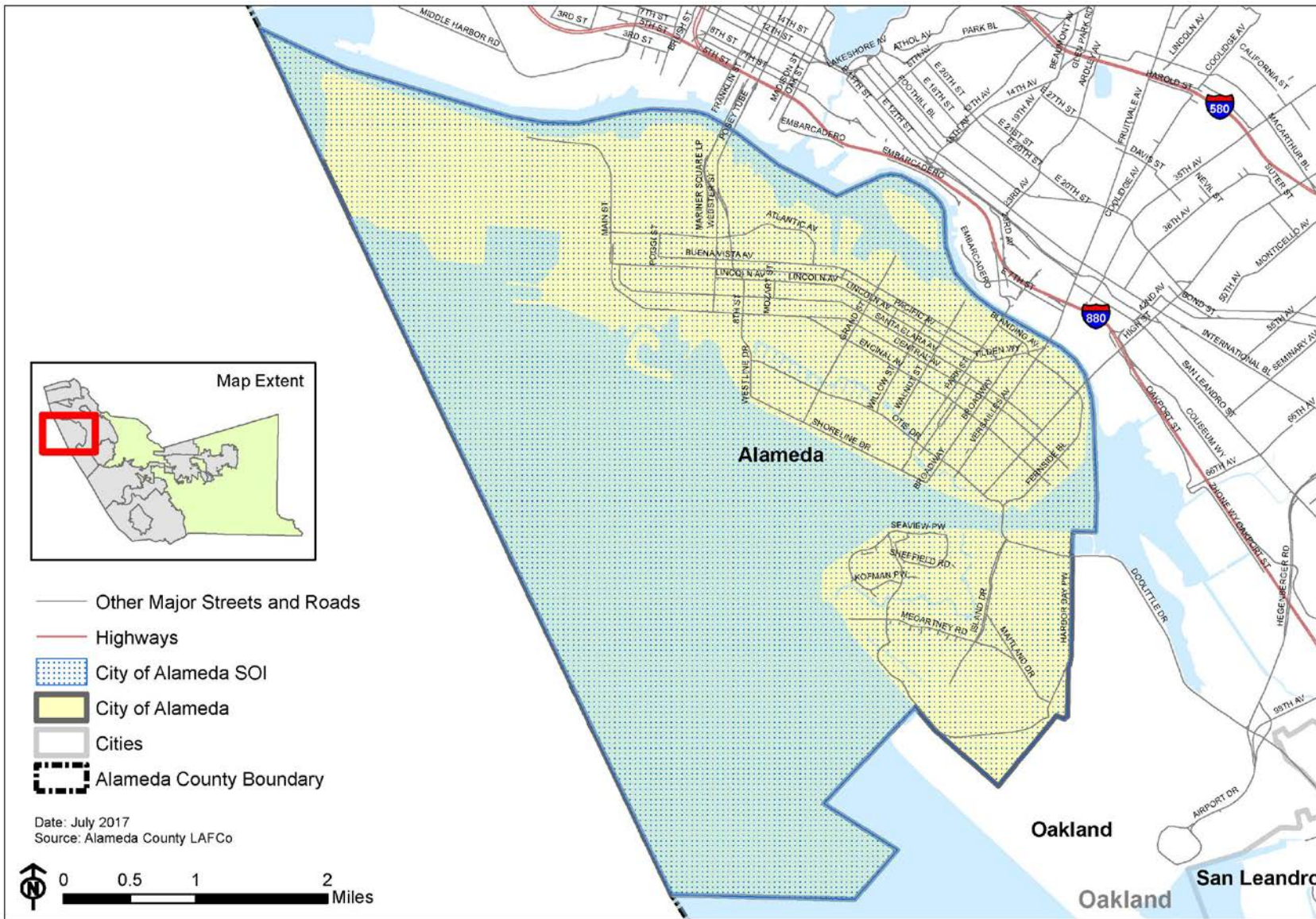
The municipal services considered in this review that are provided by the City of Alameda include: animal control, fire and emergency response, law enforcement, library, lighting, parks and recreation, planning/building, and streets. The City also owns and operates Alameda Municipal Power, an electric utility company. Other services, such as solid waste, are provided under contract with other service providers.

#### 2.1.1 City Staffing

Total City staffing for fiscal year (FY) 2015 included 504.5 full-time equivalent (FTE) employees.<sup>1</sup> **Table 2.1** shows the four service areas with the highest staffing levels.

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<sup>1</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 2.1. City of Alameda Municipal Boundary and Sphere of Influence**

**TABLE 2.1  
CITY OF ALAMEDA  
HIGHEST STAFFING LEVELS BY SERVICE AREA**

Service Area	FY 2015 FTE
Public Safety	226.0
Alameda Municipal Power	93.5
Public Works	68.9
Community Services	41.0

Source: City of Alameda Comprehensive Annual Financial Report 2016.

Similar to other cities in Alameda County, the public safety function (which includes police and fire) had the highest staffing level in the City of Alameda, with 226.0 FTE employees.

### 2.1.2 Form of Government

The City of Alameda is a charter city operating under a council-manager form of government. The City Council consists of five members, including the elected Mayor; members serve four-year terms.

### 2.1.3 Joint Powers Authorities

The City of Alameda is a member of several joint powers authorities (JPAs), which are listed in **Table 2.2**.

**TABLE 2.2  
CITY OF ALAMEDA  
JOINT POWERS AUTHORITY MEMBERSHIP**

Joint Powers Authority	Service
Alameda County Transit Inter-Agency Liaison Committee	—
Airport Noise Management Forum	—
Alameda County Lead Abatement	—
Alameda County Transportation Commission	The mission of the Alameda County Transportation Commission is to plan, fund and deliver transportation programs and projects that expand access and improve mobility to foster a vibrant and livable Alameda County
Association of Bay Area Governments	ABAG’s mission is to strengthen cooperation and collaboration among local governments to provide innovative and cost effective solutions to common problems that they face.
Alameda County Waste Management Authority	Responsible for preparation of the Alameda County Integrated Waste Management Plan and Alameda County Hazardous Waste Management Plan. It manages a long-range program for development of solid waste facilities and offers many programs in the areas of source reduction and recycling, market development, technical assistance and public education. Funding is provided by per-ton disposal and waste import mitigation fees.

Joint Powers Authority	Service
California Joint Powers Risk Management Authority	—
City Council/East Bay Regional Park District Subcommittee	—
City Council/Healthcare District Subcommittee	—
City Council/School Board Subcommittee	—
Community Oversight and Report Committee	—
East Bay Economic Development Alliance	—
League of California Cities	—
Local Agency Workers' Compensation Excess Joint Powers Authority	—
Northern California Power Agency	—

Source: City of Alameda

### 2.1.4 Awards and Recognition

**Table 2.3** lists the awards the City of Alameda has reported receiving since the 2008 Municipal Service Review (MSR).

**TABLE 2.3**  
**CITY OF ALAMEDA**  
**AWARDS**

Award	Issuer	Year(s) Received
Phoenix Award (for the Alameda Landing redevelopment project)	U.S. Environmental Protection Agency	2016
Energy Efficiency (Alameda Municipal Power)	—	2016
Safest Record (Alameda Municipal Power)	—	2016
Sustainability Practices Award	Northern California Chapter of the American Public Works Association	2016

Source: City of Alameda

## 2.2 Service Review Determinations

The purpose of this MSR is described in Chapter 1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR Update, the following analysis informs the determinations which have been prepared for the City of Alameda.

### 2.2.1 Growth and Population Projections

According to the 2016 California Department of Finance estimates, the City of Alameda serves 79,277 residents within its municipal boundary.

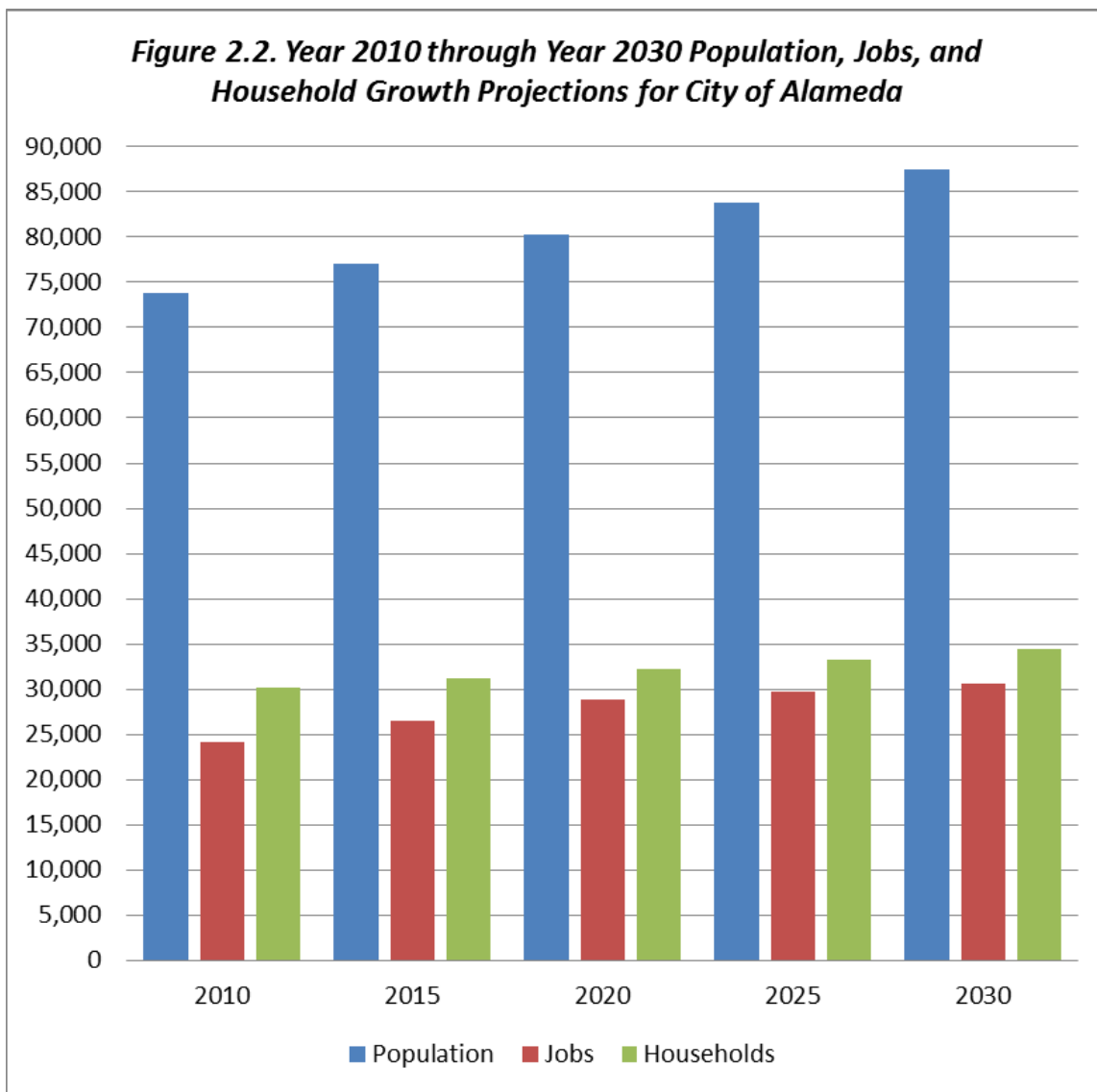
#### 2.2.1.1 *Projected Growth and Demographic Changes*

As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>2</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes 30-year growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for the City of Alameda are depicted in **Figure 2.2**.

ABAG projects that the City of Alameda will grow at an annual rate of 0.9% to a population of 87,500 in 2030. The City is also projected to experience a 1.2% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.

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<sup>2</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.



**Jobs and Housing**

According to ABAG Bay Area Census data<sup>3</sup> for 2010, the City of Alameda has 35,362 employed residents. The ABAG and MTC jobs forecast estimates 24,070 jobs in the City, with approximately 0.68 job for every employed resident. ABAG estimates that the City of Alameda has 32,351 housing units, which results in a job and housing balance of 0.74. The number of renter-occupied units in the City is greater than the number of owner-occupied housing units (**Table 2.4**), indicating that the rental household rate exceeds the rate of homeownership.

<sup>3</sup> ABAG Bay Area Census data are derived from US Census data specific to the Bay Area.

**TABLE 2.4**  
**CITY OF ALAMEDA**  
**HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	14,488
Renter-occupied housing units	15,635
Other <sup>1</sup>	2,228
Total existing housing units	32,351
<b>Regional Housing Need Allocation by Income Category 2014-2022</b>	
Above moderate	748
Moderate	283
Low	248
Very low	444
<i>Total Regional Housing Need Allocation</i>	<i>1,723</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their Housing Element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>4</sup> The City of Alameda was assigned a RHNA of 1,723 units, as shown in Table 2.4.

The City adopted its General Plan in 2013 and its Housing Element in 2014. In its General Plan, the City identified two potential PDAs for infill development, including housing. The City's 2015–2023 Housing Element identifies adequate sites, anticipated to yield over 2,000 units, which are appropriately zoned to address the affordable housing demand and anticipated to meet and exceed its 2014-2022 assigned RHNA. The City of Alameda 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *Planning for an Aging Population*

The number of adults age 50 and older in Alameda County is projected to increase approximately 60% by 2030, growing from 449,754 in 2010 to 701,000, representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>5</sup>

The City of Alameda's Mastick Senior Center (a division of the City of Alameda Recreation and Park Department), provides a variety of programs and services in the areas of health, education, and recreation to meet the needs of adults age 50 and older, as shown in **Table 2.5**.

<sup>4</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>5</sup> Year 2010–2030 ABAG projections.

**TABLE 2.5**  
**CITY OF ALAMEDA**  
**PROGRAMS AND SERVICES FOR AN AGING POPULATION**

Program	Service
Senior Connections	a collaboration between Mastick Senior Center and Alameda Family Services to provide case management assistance for Alameda seniors needing help with health insurance, housing, in-home support services, food resources and more.
Medical Return Trip Improvement Program	the Medical Return Trip Improvement Program (MRTIP) provides subsidized taxi trips for individuals returning home from medical appointments. Since it is often difficult to predict when a medical appointment might end, MRTIP offers the option of calling the City of Alameda’s transportation provider—Veterans Cab—for a ride home when your medical appointment is completed.
Alameda Paratransit Scholarship Program	the City of Alameda, through Measure B funding, offers limited matching funds to assist individuals with Premium Taxi Service and MRTIP expenses. Eligible candidates are Alameda residents, Premium Taxi Service or MRTIP certified, and meet the very-low income requirement.
City of Alameda Premium Taxi Service	Premium Taxi Service provides a 50 percent discount for taxi rides with a City of Alameda transportation provider.
City of Alameda Shuttle	The Alameda Shuttle, funded by Measure B transportation sales tax dollars, provides a free way to get around town. The shuttle service is open to the public yet its primary purpose is to connect seniors and individuals with disabilities with access to major shopping destinations and medical facilities around the City.
Community Emergency Response Team (CERT)	The Alameda Fire Department’s CERT program provides training for Alameda residents to increase self-sufficiency in a disaster.
Alameda Friendly Visitors	Alameda Friendly Visitors, a companion program to Alameda Meals on Wheels, provides companionship to seniors and homebound Alameda residents.
Alameda Safety and Accessibility Program	The Alameda Fire Department’s Safety and Accessibility Program assists with home modification improving safety and accessibility
Housing Rehabilitation Programs	The City of Alameda sponsors several rehabilitation programs providing loans, grants, and/or technical assistance to homeowners. Assistance is available to repair housing stock for low and moderate-income residents, correct code deficiencies, or perform minor emergency home repairs.
Brown Bag Program	Mercy Care Center’s Brown Bag Program collects and distributes donated food to low income seniors twice a month at Mastick Senior Center.
Alameda Food Bank	The Alameda Food Bank is a private, nonaffiliated non-profit organization providing nutritious food to low-income Alameda residents.
The Mastick Café	A nutritious meal, provided by Spectrum Community Services, is served Monday through Friday at Noon in Dining Room I. Eligible candidates must be at least 60 years of age.
Blood Pressure Screening	Alameda Fire Department provides blood pressure screening on the second and fourth Wednesday of each month
Community Paramedic Program	The goal of the Alameda Fire Department’s Community Paramedic Program is to guide clients towards health and well-being, connect clients with appropriate services, and intervene when clients are unable to take an active role in the management of their healthcare.
Income Tax Preparation Assistance	From February through April 15, AARP Tax Assistance Program volunteers provide free tax preparation services to low and middle income individuals with special attention to those 60 and older by appointment at Mastick Senior Center.



### ***2.2.1.2 Anticipated Growth Patterns***

The City of Alameda reported approximately 125 undeveloped entitled residential acres in FY 2015. Several projects have been identified as part of the 2016–2021 projected growth for the City and include 1,071 dwelling units and 200,000 square feet of commercial space. These projects are either approved or in the approval process.

PDA, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. Two PDAs have been identified by the City of Alameda in Plan Bay Area and the City's General Plan. New housing development is planned at Alameda Point and Alameda Landing, and along the Northern Waterfront. The Alameda Point and Alameda Landing PDA is characterized as a future transit town center and consists of the former Naval Air Station Alameda (NAS Alameda). The Northern Waterfront PDA is characterized as a transit neighborhood and consists of former industrial sites along the Oakland Estuary. The City consults with outside municipal service providers to ensure that the PDAs will receive adequate services at buildout.

Priority Conservation Areas, which are areas of regionally significant open space facing development pressure, also help form the implementing framework for Plan Bay Area. The City of Alameda is urbanized and has not identified any Priority Conservation Areas in Plan Bay Area or the City's General Plan.

The City of Alameda does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI.

### **2.2.2 Boundaries, Islands, and Disadvantaged Unincorporated Communities**

The City of Alameda's municipal boundary consists of the island of Alameda, Coast Guard Island, and the eastern portion of Harbor Bay Island along Harbor Bay Parkway. The City of Alameda is surrounded by the San Francisco Bay, San Leandro Bay, and Oakland Estuary. The SOI for the City of Alameda includes the municipal boundary and extends into the estuary between Alameda and Oakland and into the San Francisco Bay (see Figure 2.1). A small portion of the City and County of San Francisco is located in the northwestern corner of the island territory that includes Alameda. No unincorporated islands have been identified in the City of Alameda.

The City does not request any changes to its SOI and indicates that it does not provide services to any areas outside its municipal boundaries or SOI.

#### ***2.2.2.1 Disadvantaged Unincorporated Communities***

There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the SOI for the City of Alameda and therefore, no DUCs are relevant to this analysis.

### 2.2.3 City Services Overview

As noted in Section 2.1 and as shown in **Table 2.6**, municipal services for the City of Alameda are provided by City staff and under contract with other service providers. Municipal services considered in this update are discussed individually below. Stormwater, water, and wastewater services will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

**TABLE 2.6**  
**CITY OF ALAMEDA**  
**MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	City of Alameda	Friends of the Alameda Animal Shelter
Fire and Emergency Response	City of Alameda	—
Law Enforcement	City of Alameda	—
Library	City of Alameda	—
Lighting	City of Alameda	—
Parks and Recreation	City of Alameda	—
Planning/Building	City of Alameda	—
Solid Waste	—	Alameda County Industries
Streets	City of Alameda	
Utilities:		
Electricity	—	Alameda Municipal Power
Gas	—	Pacific Gas & Electric
Broadband	—	Comcast, AT&T, Sonic.net
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Mosquito Abatement District
Water	—	East Bay Municipal Utility District
Wastewater	—	East Bay Municipal Utility District

Source: City of Alameda

In the years since the 2008 MSR update, the City has added the following programs:

#### **Community Development Department**

- Façade Grant Program—reinstated with new funding source in 2016
- “At Your Service” Permit Facilitation Program
- Rent Review, Rent Stabilization and Limitations on Evictions Program

#### **Fire Department**

- Senior Safety Program
- Reinstatement Marine ops (fire boat, inflatable rescue boats, rescue swimmers)
- Tactical SWAT-MEDIC Program

- Basic Life Support program (2012)
- Authorization of Community Paramedicine Pilot Program

In the years since the 2008 MSR update, the City has discontinued the following programs:

#### **Community Development Department**

- Redevelopment Program
- Local Agency Military Base Recovery Area/Enterprise Zone designation
- Façade Grant Program—between 2012 and 2016 due to elimination of Redevelopment

#### **Police Department**

- Animal shelter—which is now operated by the Friends of the Alameda Animal Shelter, with staff and budget support from the Police Department
- Alameda City Jail

#### **Fire Department**

- Closure of Station 5 and elimination of Fire Prevention Bureau
- Suspension of Basic Life Support program (2015)

The City of Alameda reports the following opportunities and challenges related to its provision of municipal services:

#### **Opportunities**

- Development of Alameda Point
- Current strong housing market
- Current strong regional economic growth

#### **Challenges**

- Meeting pension obligations
- Funding capital improvements
- Funding deferred maintenance

A summary of the City's municipal service level statistics for FY 2015 is provided in Table A.1 of **Attachment A**.

#### **2.2.3.1**      *Animal Control, Vector Control*

The City of Alameda and Friends of the Alameda Animal Shelter are the animal control service providers. City expenditures for animal control services were \$385,786 for FY 2015, down from \$592,410 in FY 2008.

For 2015, 46 dog licenses were issued per 1,000 population.<sup>6</sup> The number of animals handled by the City and Friends of the Alameda Animal Shelter in 2015 was 1,580 and 1,360 calls for service were received.

Throughout Alameda County, and including the City of Alameda, vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, including the City of Alameda.

### ***2.2.3.2 Fire and Emergency Response***

The City of Alameda provides fire protection services. FY 2015 expenditures were approximately \$27.3 million, up from approximately \$24.3 million in FY 2008.

There were 6,422 reported calls for fire and emergency response service in 2015. Average fire and emergency response time in 2015 was 4:23. Average response time was 3:30 in 2008. The National Fire Protection Association (NFPA) standard requires fire and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>7</sup>

### ***2.2.3.3 Law Enforcement***

The City of Alameda provides law enforcement and dispatch services. FY 2015 expenditures were approximately \$28.5 million, up from approximately \$26.5 million in FY 2008.

The City of Alameda has 1.1 FTE sworn personnel per 1,000 population, which represents a slight decrease from 1.4 FTE in 2008. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>8</sup> There were 14.1 crimes per sworn FTE in 2015. The property crime clearance rate (a measure of crimes solved) was 4.9% in 2015, and the violent crime clearance rate was

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<sup>6</sup> The City of Alameda requires that both dogs and cats be licensed. Friends of the Alameda Animal Shelter issues cat licenses; however, only dog license data were collected for the MSR.

<sup>7</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

<sup>8</sup> National Sources of Law Enforcement Employment Data. April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

56.7%.<sup>9</sup> The City has one central police station and reports that the station and equipment are in good condition.

### ***2.2.3.4 Library***

The City of Alameda provides library services with three locations—the Main Library, the Bay Farm Island Library, and the West End Library. Library expenditures were \$46.14 per capita (\$3.6 million total) for FY 2015, up from \$45.71 per capita (\$3.3 million total) in FY 2008.

Average circulation per capita was 6 items in 2015 and 1 public access computer was provided per 1,000 population.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>10</sup> Select statistical data for the most recent year (FY 2014/2015) are provided in this MSR Update for comparative purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY 2014/2015.

### ***2.2.3.5 Lighting and Streets***

Lighting (street and traffic) is provided and maintained by the City of Alameda. City expenditures for light and signal maintenance were \$933,013 in FY 2015, up from \$630,182 in FY 2008. The City maintains 87 signalized intersections, 3,132 traffic lights, and 5,441 street lights.

The City of Alameda provides and maintains 140 street miles and approximately 32 Class 1 and 2 bike lane miles. FY 2015 expenditures for streets were \$2,954,646.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in the City of Alameda was 62 (fair) in 2009.<sup>11</sup> Pavement at the low end of the 60-69 (fair) range is significantly distressed and may require a combination of rehabilitation and

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<sup>9</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

<sup>10</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lids/librarystats.html>

<sup>11</sup> 2008 data were not available

preventive maintenance. Although the PCI increased to 69 in 2015, it remains below the target PCI of 75 (good) MTC has established.<sup>12</sup>

### **2.2.3.6**      *Parks and Recreation*

The City is the primary service provider for parks and recreation. FY 2015 expenditures for parks were approximately \$6.4 million in FY 2015, down from approximately \$10.8 million in FY 2008.

The City provides and maintains 2 park acres per 1,000 residents, 3.75 recreation centers per 20,000 residents, and 3.5 miles of recreation trails. A 2014 facility condition assessment was conducted for the City's 38 park and recreation facilities and found that half the facilities were in good condition, while the other half were in fair to poor condition. As a result of these findings, the Public Works Department is requesting \$6.25 million over the next two years for facility improvements.

The City works collaboratively with the East Bay Regional Park District to fund park improvements through the Measure WW funding program. The City has received approximately \$3.5 million from Measure WW, which has been used to fund the Alameda Boys and Girls Club, a playground, tennis court rehabilitations, construction at Estuary Park, and replacement of the recreation center at Krusi Park.

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. The 1979 Compatible Land Use Plan called for 4 acres in newly developed areas, and the 2013 Parks and Recreation Element of the City's General Plan projected the standard to be 2.3 acres per 1,000 at buildout. The City of Alameda indicates that the Quimby Act's 3-to-5-acre range is beyond reach at this stage of development.

### **2.2.3.7**      *Planning and Building*

The City of Alameda Department of Community Development provides planning and building services. Department expenditures for FY 2015 were \$2,850,519.

The City of Alameda issued 3,670 residential and 467 commercial building permits in 2015. Total building permit valuation in FY 2015 is estimated at \$143.2 million. The adopted planning documents reported by the City are listed in **Attachment B**.

### **2.2.3.8**      *Solid Waste*

Solid waste services are provided to the City of Alameda via franchise agreement with Alameda County Industries. Alameda County Industries transports solid waste collected from the City of

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<sup>12</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

Alameda to Waste Management's Davis Street Transfer Station located in the City of San Leandro. The City of Alameda FY 2015 expenditures for solid waste services were \$488,347, down from \$780,061 in FY 2008.

The City reported approximately 2.4 tons of waste disposed per capita for FY 2015, and a total diversion rate of 76%. The FY 2015 per resident disposal rate was 2.3 pounds/resident/day.

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

### ***2.2.3.9 Utilities and Broadband***

Alameda Municipal Power provides electricity service and Pacific Gas & Electric provides gas service to the City of Alameda. Alameda Municipal Power expenditures were approximately \$45 million in FY 2015, down from approximately \$61 million in FY 2008. The City coordinates with Pacific Gas & Electric regarding the location and condition of gas pipelines. Alameda is not a member of the recently formed East Bay Community Energy Authority.

The City of Alameda does not provide public broadband service. XFINITY from Comcast, AT&T U-verse, and Sonic.net each offer internet access to the city. These providers use a variety of wired technologies including cable and DSL. The City of Alameda did not indicate concerns about the availability or reliability of high-speed internet services. The California Public Utilities Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report card for 2013. The City of Alameda received a grade of C, which indicates that internet service providers meet the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.<sup>13</sup>

The City of Alameda did not indicate concerns about the ability of utility service or broadband providers to serve Alameda's existing or growing population.

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<sup>13</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www. bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).

## 2.2.4 City Services Determinations

### 2.2.4.1 *Present and Planned Capacity of Facilities, Adequacy of Public Service*

The City of Alameda reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.

Average fire and emergency response time was 4:23 minutes in 2015, which exceeds the NFPA standard.

There are no DUCs within or contiguous to the City's SOI.

#### *Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs*

As an island city, transportation ingress and egress as well as internal traffic circulation present continued challenges for Alameda's future growth and emergency disaster preparedness. AC Transit, ferry service, and transit improvement projects are important tools for addressing these challenges. Additionally, the PCI for City streets is 69, which is below the target of 75 MTC has established.

When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

#### *Consistency with Capital Improvement Plans*

The Capital Improvement Program (CIP) sets priorities for building the City's infrastructure such as parks, sewer/storm drain improvements, pedestrian/bicycle network, traffic/street improvements, affordable housing, and community facilities. The City of Alameda has identified transportation, facilities, and sidewalks as its top three capital priorities. Their two-year Capital Improvement Budget process and Capital Improvement Program includes facility and infrastructure assessment and replacement programs.

#### *Consistency with Local and Regional Land Use Plans and Policies*

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### 2.2.4.2 *Status and Opportunities for Shared Facilities*

The sharing of municipal services and facilities involves centralizing functions and facilities. Municipalities will collaborate through joint-use and shared services agreements for the joint provision of public services and joint use of public facilities as a way to save resources.



*Current Shared Services*

The City provides an array of municipal services, with the exception of solid waste, gas, broadband, vector control, and wastewater services. These services are provided via contract with Alameda County, public vendors, or private vendors. The City does not share facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

*Duplication of Existing or Planned Facilities*

This review did not identify any duplication of existing or planned facilities.

*Availability of Excess Capacity*

No excess service or facility capacity was identified as part of this review.

**2.2.5 Financial Overview**

This section provides an overview of the City's financial health and provides a context for assessing the City's financial ability to provide services.

Key FY 2015 financial information for City of Alameda municipal operations is discussed below. The information in this section has been obtained from the audited 2015 Comprehensive Annual Financial Report (CAFR) and from City staff. For comparative purposes, FY 2008 CAFR and staff-provided financial information is also included where available.

**2.2.5.1 Revenues and Expenditures**

A comparison of the revenues and expenditures for the City's governmental and proprietary funds is shown in **Table 2.7**.

TABLE 2.7  
CITY OF ALAMEDA  
COMPARISON OF REVENUE AND EXPENDITURES  
FY 2008 AND FY 2015

	FY 2008	FY 2015
Total Revenue	\$235,935,203	\$199,747,914
Total Expenditures	\$219,064,244	\$182,113,171
<b>Net Surplus/(Deficit)</b>	<b>\$16,870,959</b>	<b>\$17,634,743</b>

In FY 2015, total expenditures for the City exceeded \$182 million, which represents a decrease of approximately \$36.9 million from FY 2008. The decreases in revenue and expenditures are due to changes in what is included in "business-type activities" and "component units" in the financial reports between FY 2008 and FY 2015.

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and expenditures for the General Fund are shown in **Table 2.8**. General Fund expenditures constituted approximately 38% (\$70 million) of the total expenditures for FY 2015.

**TABLE 2.8**  
**CITY OF ALAMEDA**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Other Local Taxes	\$23,877,431	\$32,778,575
Property Tax	\$22,163,682	\$31,997,790
Service Charges	\$7,260,722	\$9,541,506
Other Revenue	\$15,572,720	\$5,643,384
<b>Total Revenue</b>	<b>\$68,874,555</b>	<b>\$79,961,255</b>
Expenditures by Program		
Police	\$26,544,338	\$28,570,331
Fire and Emergency Medical Services	\$24,338,086	\$27,362,021
General Government	\$7,144,154	\$10,312,626
Recreation and Community Services	\$4,252,813	\$2,232,103
Public Works	\$7,478,497	\$1,159,705
Other (capital and debt)	\$1,151,199	\$404,718
Community Development	\$4,320,392	—
<b>Total Expenditures</b>	<b>\$75,229,479</b>	<b>\$70,041,504</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$6,354,924)</b>	<b>\$9,919,751</b>

Total General Fund expenditures have decreased by approximately \$5.2 million (7%) since FY 2008. Public safety services comprise the major expenditures (80%) for the City's General Fund.

The major revenues to the City's General Fund are taxes, which comprise approximately 91% of the fund's annual revenue stream. The primary source of revenue is property tax, which in FY 2015 was above FY 2008 levels. **Table 2.9** provides a comparison of General Fund tax revenues.

**TABLE 2.9**  
**CITY OF ALAMEDA**  
**COMPARISON OF GENERAL FUND TAX REVENUES**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Property Tax	\$27,413,398	\$39,057,878
Sales Tax	\$5,140,774	\$9,340,828
Utility Users Tax	\$9,301,200	\$8,330,638
Transfer Tax	\$3,389,197	\$8,258,516
Franchise Tax	\$1,605,512	\$1,496,491
Transient Occupancy Tax	\$1,088,342	\$1,928,731
Property Tax in lieu	\$1,654,175	\$1,002,871
Other Tax	\$2,392,876	\$4,460,633
Total tax revenue	\$51,985,474	\$73,876,484

The City's property tax revenue has increased by approximately \$11.6 million (42%) since FY 2008. This increase can be somewhat attributed to the housing market recovery after the Great Recession of 2008–2009, including the rise in median home sale prices in the City of Alameda, and the receipt of residual property tax distributions as a result of redevelopment dissolution.

City of Alameda sales tax revenue has increased by approximately \$4.2 million (82%) since FY 2008.

### 2.2.5.2 Debt

**Table 2.10** summarizes the City's obligations, debt, and liabilities.

**TABLE 2.10**  
**CITY OF ALAMEDA**  
**COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES**  
**FY 2008 AND FY 2015**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$24,555,000	\$19,540,000
Ratio of Direct Debt <sup>1</sup> to Net Assessed Valuation	0.28%	0.19%
Ratio of Combined Debt <sup>2</sup> to Net Assessed Valuation	0.32%	2.97%
Unfunded Pension Liability	\$94,910,311	\$166,423,352

<sup>1</sup> General bonded debt

<sup>2</sup> Direct and overlapping debt

Standard and Poor's suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilized capital investment capacity. The City of Alameda has lowered its general bonded debt since 2008 to approximately \$246 per capita through pay-off of prior capital project debt. The ratio of direct debt to net assessed valuation has decreased slightly since 2008, while the ratio for combined debt has increased.

Similar to many cities, the City of Alameda has seen an increase in its reported unfunded pension liability since 2008, partially due to Governmental Accounting Standards Board (GASB) Statement 68.<sup>14</sup> The City's unfunded pension liability<sup>15</sup> is approximately 205% of the general fund revenue for FY 2015 (i.e., more than double the general fund revenue would be needed to fully fund the existing pension liability if addressed all in one year). Since the GASB ruling the City of Alameda has worked to address pension funding by adopting a Pension Rate Stabilization and Other Post-Employment Benefits Funding Policy. This Policy creates a trust fund and mandates annual deposits from the general fund, to address long term pension obligations. The City has also made changes to its pension eligibility requirements to address both short- and long-term liabilities.

### **2.2.5.3 Reserves**

The Alameda City Council has established a 20% reserve policy, measured in proportion to the budgeted expenditures and transfers out. The City has been able to maintain General Fund reserves in excess of the City Council's established level of 20% of expenditures during the past few fiscal years. During FY 2015, an additional 5% was allocated to a contingency reserve. At the end of FY 2015, the General Fund available fund balance was nearly 38%, or \$30 million, which is 13% higher than the City Council established reserves.

Alameda's unassigned General Fund reserve level was \$19.9 million for FY 2015, up from \$10.2 million in FY 2008. The City does not maintain an economic uncertainty reserve fund separate from the General Fund reserve.

### **2.2.5.4 Fiscal Health Indicators**

Overall, the City of Alameda appears to be experiencing improvements in its fiscal health, as shown by the General Fund fiscal indicators in **Table 2.11**.

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<sup>14</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports.

<sup>15</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city's General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.

**TABLE 2.11**  
**CITY OF ALAMEDA**  
**GENERAL FUND FISCAL INDICATORS**  
**FY 2008 AND FY 2015**

Indicator	FY 2008	FY 2015
Net Operating Deficit/Surplus	(\$3,126,742)	\$4,422,978
Liquidity Ratio <sup>1</sup>	4.81	6.02
Fund Balance as Percent of Expenditures <sup>2</sup>	25%	45%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures

Since the deficit of FY 2008, the City has reported a surplus in their annual operating General Fund, increasing from a deficit of approximately \$3.1 million in FY 2008 to a surplus of \$4.4 million in FY 2015.

Although several General Fund revenue categories have significantly improved, as noted above, the City of Alameda continues to expect General Fund deficits in the foreseeable future. Factors contributing to those deficits include:

- New Miscellaneous / Safety Public Employees' Retirement System rates that include the projected effect of the recent changes made by California Public Employees' Retirement System (CalPERS) to their amortization and smoothing policies, which was to smooth changes to the rate over a 5-year period instead of a 15-year period. CalPERS will be implementing these changes over a 5-year period, beginning in FY 2015-16, and the changes are incorporated in the City's 5-year projections
- The rising cost of health care, albeit at a slower pace than previous years
- New agreed-upon salary increases for all employees with projected increases of 4.36% in 2016, 3.5% in 2017, and 3.5% in 2018, based upon increases realized in specified tax revenues for the General Fund

As in years past, City staff will be working with the City Council to address anticipated shortfalls as part of the review of the City's budget.

For FY 2015, there were \$1.9 million in transfers from the General Fund reserves to fund capital projects. The City exceeded its 20 percent reserve goal for the unassigned General Fund balance. Overall, the City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Standard and Poor's has assigned Alameda a bond rating of AA+ (high quality).

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). The net position for the City of Alameda decreased \$105 million or 26%, from \$402 million at June 30, 2014 to \$297 million at June 30, 2015. For FY 2015, the City reported positive balances in all categories of net position except for unrestricted net position, primarily due to the implementation of GASB 68 and 71 and the inclusion of the net pension liability. The largest portion of the City's net position, \$332 million, is its investment in capital assets less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide services to its residents and other stakeholders. Accordingly, these assets are not available for future spending.

### **2.2.5.5**      *Financial Reporting*

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end. The City of Alameda CAFR for FY 2015 was published in March 2016, which is not within 6 months of the fiscal year end. The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

### **2.2.6**            **Financial Determinations**

#### **2.2.6.1**        *Financial Ability of Agency to Provide Services*

Despite improving fiscal health, the City of Alameda continues to expect General Fund deficits in the foreseeable future, which may affect its ability to provide services.

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Overall, the City of Alameda appears to have sufficient financial resources to continue providing services, as well as to accommodate infrastructure expansion, improvements, or replacement, as indicated below.

#### *Operating General Fund deficit and surplus trends for the past five years*

The City of Alameda reports moving from a deficit to a surplus in their annual operating general fund between FY 2008 and FY 2015.

#### *Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing*

For FY 2015, there were \$1.9 million in transfers from the General Fund reserves to fund capital projects. During FY 2015, the City transferred over \$9 million to the CIP fund for capital and storm drain projects.

Historically, most CIP projects have been funded through redevelopment revenue and bond financing with some funds also coming from the City's General Fund or state/regional/federal grants. Due to the dissolution of redevelopment in 2012, the City has been identifying other funding sources for capital. City staff, in conjunction with outside consultants, undertook a comprehensive Development Impact Fee study to ensure new development is paying its fair share of the costs for needed public capital facilities and improvements. These new fees took effect in September 2014 and account for all the backbone infrastructure at Alameda Point as well as parks, public safety, transportation and public facilities that will be required as a result of growth driven by the strong regional economy.

***Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year***

At the end of FY 2015, the unassigned General Fund Balance represented approximately 45% of operating expenditures. The City's fund balance as percent of expenditures exceeds the City's 20% reserve goal for unassigned fund balances, as well as the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

***Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year***

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 6.02, which indicates the City has the means available to cover its existing obligations in the short run.

***Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end***

The City issued its CAFR approximately 9 months after fiscal year end, which is not considered timely. The CAFR was audited by an independent CPA and received a clean opinion.

**2.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

***2.2.7.1 Online Availability of City Governance Information***

The City of Alameda website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

### 2.2.7.2 Online Availability of City Planning Information

The City of Alameda website provides public access to the City’s general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

### 2.2.7.3 Public Involvement

The City of Alameda website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

### 2.2.8 Service Review Determinations Summary

**Table 2.12** summarizes the service review determinations discussed throughout Section 2.2.

**TABLE 2.12  
CITY OF ALAMEDA  
SUMMARY OF SERVICE REVIEW DETERMINATIONS**

Determination Area and Criteria	Determination
<i><b>Growth and population projections for the affected area</b></i>	
Projected growth and demographic changes in and around the agency’s service areas based on ABAG population projections	ABAG projects that the City of Alameda will grow at an annual rate of 0.9% to a population of 87,500 in 2030. The City is also projected to experience a 1.2% annual growth rate in jobs between 2010 and 2030. Overall, the City’s planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	The City of Alameda does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI within the next five years. The City consults with outside municipal service providers to ensure that the PDAs as identified in Plan Bay Area will receive adequate services at buildout.
<i><b>Location and characteristics of Disadvantaged Unincorporated Communities within or contiguous to the SOI</b></i>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community is a community with an annual median household income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	There are no DUCs within or contiguous to the SOI for the City of Alameda.
<i><b>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</b></i>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	The City of Alameda reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.  As an island city, transportation ingress and egress as well as internal traffic circulation present continued challenges for Alameda’s future growth and



Determination Area and Criteria	Determination
	<p>emergency disaster preparedness. AC Transit, ferry service, and transit improvement projects are important tools for addressing these challenges. Additionally, the pavement condition index for City streets is 69, which is below the target of 75 MTC has established.</p> <p>When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.</p>
<p>Consistency with capital improvement plans</p>	<p>The Capital Improvement Program (CIP) sets priorities for building the City’s infrastructure such as parks, sewer/storm drain improvements, pedestrian/bicycle network, traffic/street improvements, affordable housing, and community facilities. The City of Alameda has identified transportation, facilities, and sidewalks as its top three capital priorities. Their two-year Capital Improvement Budget process and Capital Improvement Program includes facility and infrastructure assessment and replacement programs.</p>
<p>Consistency with local and regional land use plans and policies</p>	<p>The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City’s General Plan. The City’s 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.</p>
<p><b><i>Financial ability of the agency to provide services</i></b></p>	
<p>Operating General Fund deficit and surplus trends for the past five years</p>	<p>The City of Alameda reports moving from a deficit to a surplus in their annual operating general fund between FY 2008 and FY 2015.</p> <p>Despite improving fiscal health, the City of Alameda continues to expect General Fund deficits in the foreseeable future, which may affect its ability to provide services.</p>
<p>Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing</p>	<p>For FY 2015, there were \$1.9 million in transfers from the General Fund reserves to fund capital projects.</p>
<p>Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year</p>	<p>At 45% of operating expenditures, the City’s fund balance as percent of expenditures exceeds the City’s 20% reserve goal for unassigned fund balances, as well as the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.</p>
<p>Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year</p>	<p>The City reported a liquidity ratio of 6.02, which indicates the City has the means available to cover its existing obligations in the short run.</p>
<p>Timeliness and accuracy of financial reporting by ensuring that the State Controller’s Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end</p>	<p>The City issued its CAFR approximately 9 months after fiscal year end, which is not considered timely by the GASB. The CAFR was audited by an independent CPA and received a clean opinion.</p>

Determination Area and Criteria	Determination
<b><i>Status of and opportunities for shared facilities</i></b>	
Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas	The City provides an array of municipal services, with the exception of solid waste, utilities, vector control, and wastewater services. These services are provided via contract with Alameda County or private vendors. The City does not share facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency's website	The City of Alameda website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency's website	The City of Alameda website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.
Time and place for public to provide input prior to decision being made	The City of Alameda website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 2.3 Sphere of Influence Review and Determinations

### 2.3.1 Sphere of Influence Recommendation

The SOI for the City of Alameda extends into the estuary between Alameda and Oakland and into the San Francisco Bay, as shown in Figure 2.1. The City of Alameda is an island, with the City of Oakland on the northeast and the City and County of San Francisco on the west; no further outward growth is possible.

This report recommends that Alameda LAFCo maintain and reaffirm the existing SOI for the City of Alameda.

This report also recommends that Alameda LAFCo consider encouraging the City of Alameda and the City and County of San Francisco to consider reorganization of the northwestern portion of Alameda (currently included in the City and County of San Francisco) so that it would be within a modified SOI for the City of Alameda. **Figure 2.3** shows the proposed area of modification.

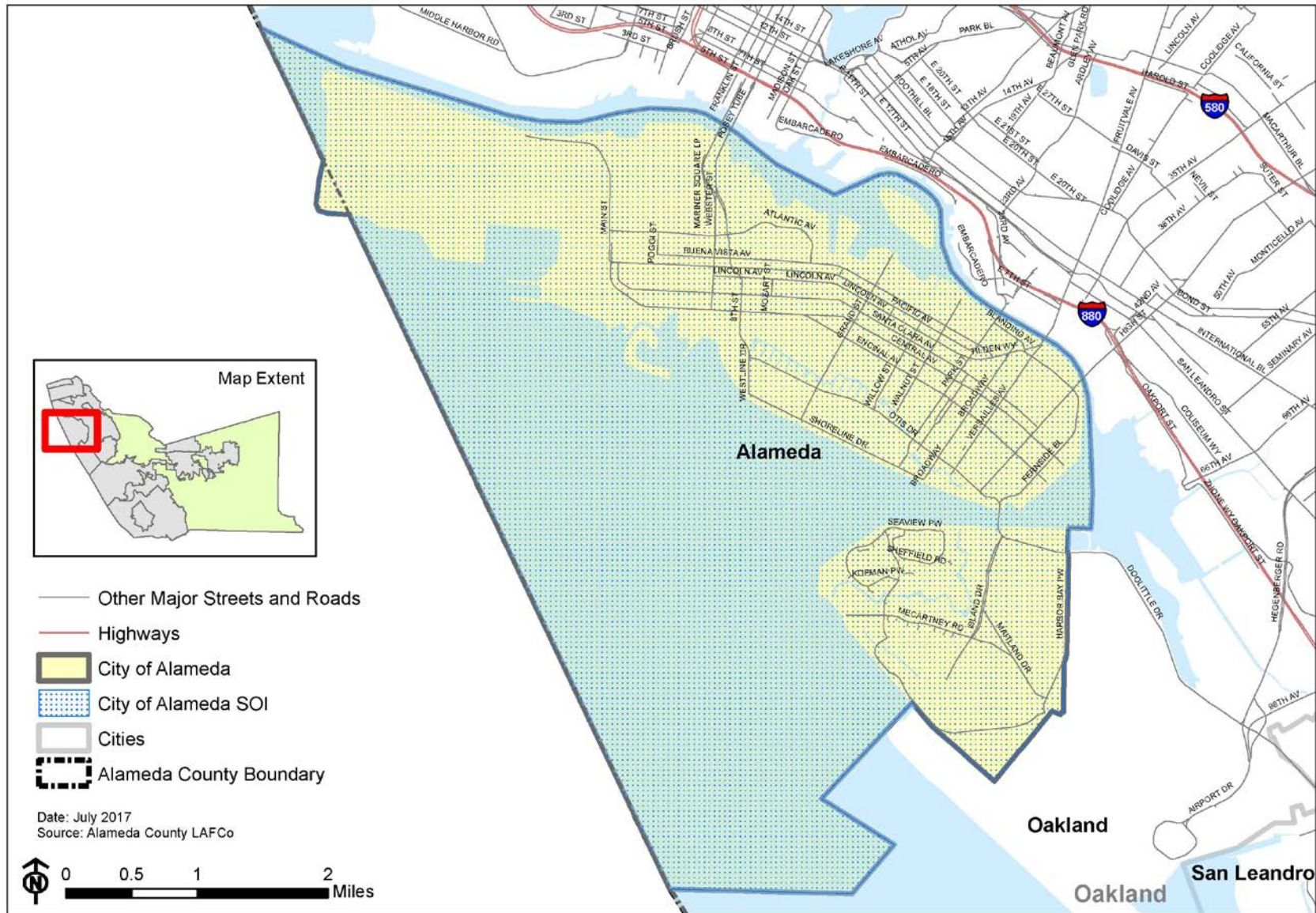
### 2.3.2 Sphere of Influence Determinations for the City of Alameda

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 2.13**. These determinations are made as part of the review of the existing SOI and are based on the information in this City of Alameda MSR profile.

**TABLE 2.13**  
**CITY OF ALAMEDA**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	The City of Alameda plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including residential, business, commercial, industrial, recreation, open space, public, and federal. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (2013).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for the City of Alameda. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
<i>The present and probable future capacity of public facilities and services</i>	The present capacity of public facilities in the City of Alameda appears adequate. The City of Alameda anticipates it will continue to have adequate capacity during the next five years.

Criteria	Determination
<i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i>	All communities of interest within the City’s municipal boundary are included within the SOI. Alameda LAFCo has not identified specific social or economic communities of interest relevant to the City of Alameda.
<i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i>	The City of Alameda provides structural fire protection and sewer facilities and services within its SOI; water is provided by East Bay Municipal Utility District. There are no DUCs within or contiguous to the SOI for the City of Alameda and therefore no present or probable need for these facilities and services for DUCs.



**Figure 2.3. City of Alameda Modified Sphere of Influence (Northwestern Reorganization Area)**



# Chapter 3

## City of Albany

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### 3.1 Agency Overview



The City of Albany, incorporated in 1908, covers an area of 1.7 square miles. The most recent U.S. Census Bureau data shows the population as 18,539. The California Department of Finance estimates the January 1, 2016 population as 18,983. The City has a population density of approximately 11,166 persons per square mile, which is the highest of the 14 cities in Alameda County.

The City of Albany lies on the San Francisco Bay and is bordered by the City of Berkeley on the south and east, and the City of El Cerrito in Contra Costa County on the north. Land uses in the City include a mix of residential, commercial and mixed use, and public and open space. The Sphere of Influence (SOI) for the City of Albany is coterminous with the municipal boundary (**Figure 3.1**).

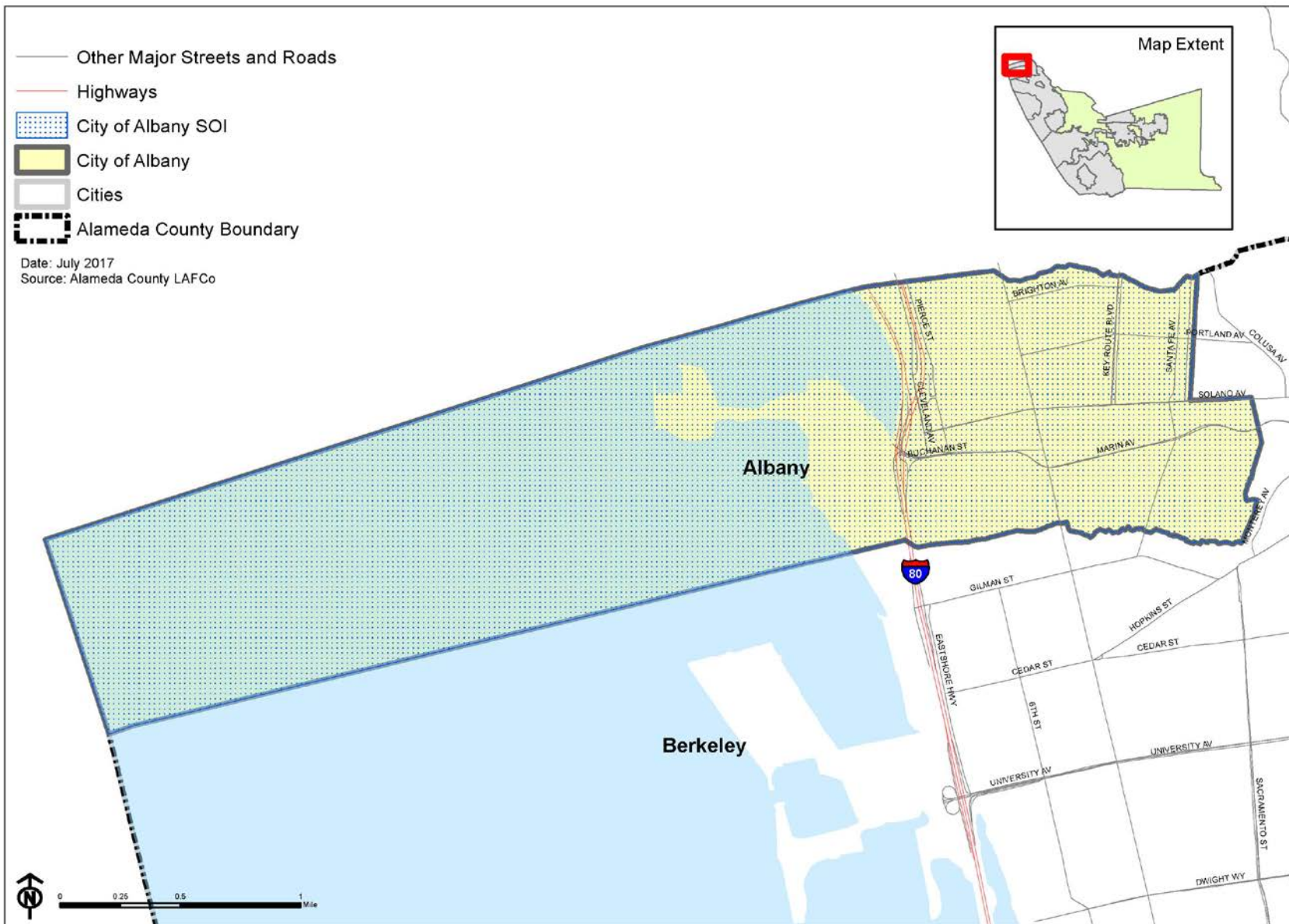
The municipal services considered in this review that are provided by the City of Albany include: fire and emergency response, law enforcement, parks and recreation, planning/building, and streets. Other services, such as solid waste, are provided under contract with other service providers.

#### 3.1.1 City Staffing

Total City staffing for fiscal year (FY) 2015 included 86 full-time equivalent (FTE) employees.<sup>1</sup> **Table 3.1** shows the four service areas with the highest staffing levels.

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<sup>1</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 3.1. City of Albany Municipal Boundary and Sphere of Influence**



**TABLE 3.1**  
**CITY OF ALBANY**  
**HIGHEST STAFFING LEVELS BY SERVICE AREA**

<b>Service Area</b>	<b>FY 2015 FTE</b>
Public Safety	49
Public Works	11
General Government	11
Recreation	9

Source: City of Albany Comprehensive Annual Financial Report 2015.

Similar to other cities in Alameda County, the public safety function (which includes police and fire) had the highest staffing level in the City of Albany, with 49.0 FTE employees.

### 3.1.2 Form of Government

The City of Albany is a charter city operating under the council-manager form of government. The City Council consists of five members, including the elected Mayor; members serve four-year terms.

### 3.1.3 Joint Powers Authorities

The City of Albany is a member of the Ballfield Joint Powers Authority (JPA), which provides sports ballfields oversight, the Bay Cities JPA, the East Bay Sports Field Recreational Authority JPA, the East Bay Community Energy JPA, and the Association of Bay Area Governments.

### 3.1.4 Awards and Recognition

**Table 3.2** lists the awards the City of Albany has reported receiving since the 2008 Municipal Service Review (MSR).

**TABLE 3.2**  
**CITY OF ALBANY**  
**AWARDS**

<b>Award</b>	<b>Issuer</b>	<b>Year(s) Received</b>
Second Place Award, Best Traffic Safety Program	California Law Enforcement Challenge	2010
Community Partnership Award, Multi-disciplinary Child Abuse Partnership with the Child Abuse Listening, Interview and Coordination Center	Mutual of America	

Source: City of Albany

## 3.2 Service Review Determinations

The purpose of this MSR is described in Chapter 1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR Update, the following analysis informs the determinations which have been prepared for the City of Albany.

### 3.2.1 Growth and Population Projections

According to the 2016 California Department of Finance estimates, the City of Albany serves 18,983 residents within its municipal boundary.

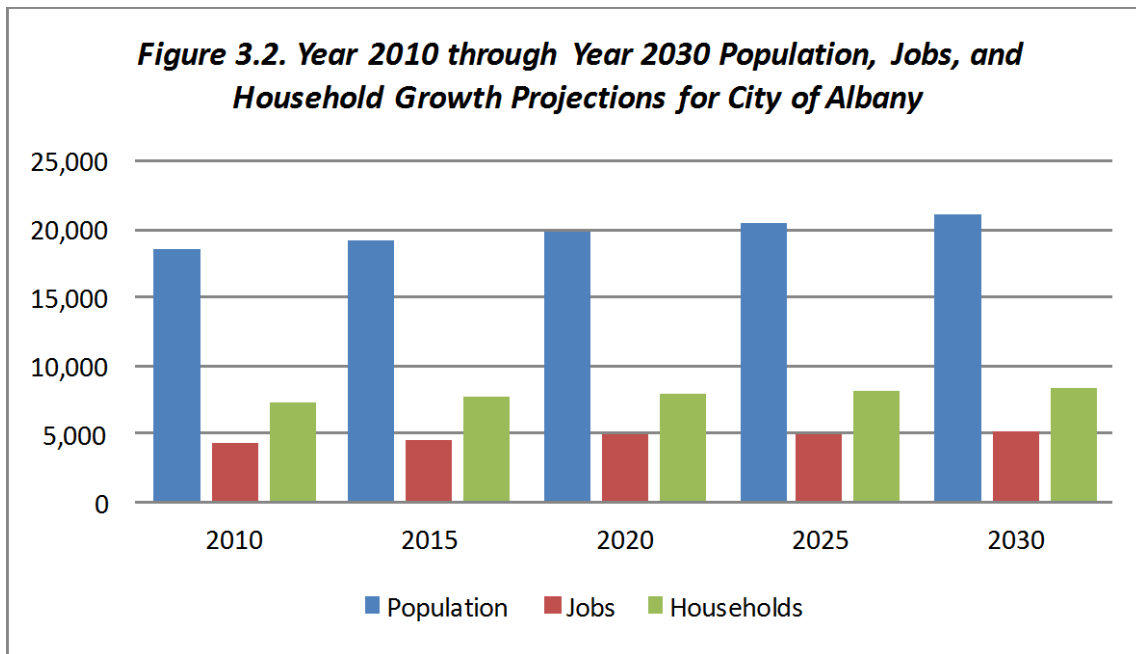
#### 3.2.1.1 *Projected Growth and Demographic Changes*

As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>2</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCos, and includes 30-year growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for the City of Albany are depicted in **Figure 3.2**.

ABAG projects that the City of Albany will grow at an annual rate of 0.6% to a population of 21,000 in 2030. The City is also projected to experience a 1% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.

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<sup>2</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.



**Jobs and Housing**

According to ABAG Bay Area Census data<sup>3</sup> for 2010, the City of Albany has 8,808 employed residents. The ABAG and MTC jobs forecast estimates 4,230 jobs in the City, with approximately 0.5 job for every employed resident. ABAG estimates that the City of Albany has 7,889 housing units, which results in a job/housing balance of 0.5. The number of renter-occupied units in the City is greater than the number of owner-occupied housing units (**Table 3.3**), indicating that the rental household rate exceeds the rate of homeownership.

**TABLE 3.3  
CITY OF ALBANY  
HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	3,574
Renter-occupied housing units	3,827
Other <sup>1</sup>	488
Total existing housing units	7,889

<sup>3</sup> ABAG Bay Area Census data a derived from US Census data specific to the Bay Area.

Housing Statistic	Number
Regional Housing Need Allocation by Income Category	2014-2022
Above moderate	145
Moderate	57
Low	53
Very low	80
<i>Total Regional Housing Need Allocation</i>	<i>355</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their Housing Element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>4</sup> The City was assigned an RHNA of 355 units, as shown in Table 3.3.

The City adopted its General Plan in 2013 and its Housing Element in 2015. In its General Plan, the City identified one potential PDA for infill development, including housing. The City's 2015–2023 Housing Element identifies adequate sites, anticipated to yield 448 units, which are appropriately zoned to address the affordable housing demand and anticipated to meet and exceed its 2014-2022 assigned RHNA. The City of Albany 2015–2023 Housing Element, adopted in February 2015, has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *Planning for an Aging Population*

The number of adults age 50 and older in Alameda County is projected to grow from 449,754 in 2010 to 701,000 in 2030, an increase of 55.9% and representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>5</sup>

The City of Albany operates a Senior Center which offers a congregate meal program, bus transportation for shopping, subsidized taxi transportation, Meals on Wheels, help with tax forms, senior exercise classes and excursions, foot care, blood pressure checks, and medication review among others. The City's General Plan recommends expanding, renovating, and improving the Senior Center.

#### *3.2.1.2 Anticipated Growth Patterns*

The City of Albany reported approximately 419 entitled residential acres and approximately 12 undeveloped entitled residential acres in FY 2015. The City has not identified any development projects as part of the FY 2017–FY 2022 period projected growth.

<sup>4</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>5</sup> Year 2010–2030 ABAG projections.

PDA, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. One potential PDA has been identified by the City of Albany in Plan Bay Area. The San Pablo Avenue and Solano Avenue PDA is characterized as a future mixed-use corridor. The overall vision for this area is to implement functional infill development projects that maintain the traditional residential character of the City, expand the City's housing stock, including affordable units, captures sustainable economic development opportunities, and improves neighborhood-serving businesses. The PDA could accommodate approximately 215 units of housing.

The Solano Commercial District accommodates commercial uses that supply a wide range of commercial retail and related services to the adjacent neighborhoods and the surrounding communities, within an attractive pedestrian-oriented shopping environment. The district also provides opportunities for office development and residential development, including mixed-use settings.

The San Pablo Commercial District accommodates commercial and retail businesses serving a citywide or larger market in a boulevard environment. The district also provides opportunities for office development and residential development, which may be in mixed use settings.

The City did not indicate whether it consults with outside municipal service providers to ensure that the PDAs will receive adequate services at buildout; however, the City does expect that the utility capacity of the area is adequate.

Priority Conservation Areas, which are areas of regionally significant open space facing development pressure—also help form the implementing framework for Plan Bay Area. The Albany Hill Priority Conservation Area is in the northwestern corner of the City of Albany, rising above Interstate 80, and adjacent to the cities of Richmond and El Cerrito. The Albany Hill Priority Conservation Area, which is bordered by two year-round creeks, Cerrito and Middle, characteristic riparian flora and fauna including a willow marsh, many native California grasses and wildflowers, oak woodlands, and stands of eucalyptus that serve as roosting sites for Monarch butterflies.<sup>6</sup>

The City of Albany does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI.

### **3.2.2 Boundaries, Islands, and Disadvantaged Unincorporated Communities**

The City of Albany's SOI is coterminous with its municipal boundary, with both extending into the San Francisco Bay (see Figure 3.1). The City does not anticipate any changes to its SOI and

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<sup>6</sup> Alameda County Transportation Commission. Alameda County PDA Investment and Growth Strategy, March 2013.

does not provide services to any areas outside its municipal boundary or SOI. No unincorporated islands have been identified in the City of Albany.

### 3.2.2.1 *Disadvantaged Unincorporated Communities*

There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the SOI for the City of Albany and therefore, no DUCs are relevant to this analysis.

### 3.2.3 City Services Overview

As noted in Section 3.1 and as shown in **Table 3.4**, municipal services for the City of Albany are provided by City staff and under contract with other service providers. Municipal services considered in this update are discussed individually below. Stormwater, water, and wastewater services will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

**TABLE 3.4  
CITY OF ALBANY  
MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	—	City of Berkeley Animal Control Services
Fire and Emergency Response	City of Albany	
Law Enforcement	City of Albany	—
Library	—	Alameda County
Lighting	—	Alameda County
Parks and Recreation	City of Albany	—
Planning/Building	City of Albany	—
Solid Waste	—	Waste Management
Stormwater	City of Albany	—
Streets	City of Albany	—
Utilities and Broadband:		
Electricity	—	Pacific Gas & Electric
Gas	—	Pacific Gas & Electric
Broadband	—	Comcast, AT&T, Sonic.net
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Vector Control Services District
Water	—	East Bay Municipal Utility District
Wastewater	City of Albany	East Bay Municipal Utility District

Source: City of Albany

In the years since the 2008 MSR update, the City has added the following Human Services programs: homeless engagement including assistance in securing housing, human/social

services. The City of Albany has not started providing any new municipal services since the 2008 MSR update, nor has it discontinued any services.

The City of Albany reports the following opportunities and challenges related to its provision of municipal services:

### **Opportunities**

- Planning for new healthy community programs with passage of the Sugar-Sweetened Beverage tax
- Initiating sidewalk repairs and replacement with passage of the Sidewalk tax
- Opening of a pilot program resource center to assist with housing and mental health related issues for those in need

### **Challenges**

- Diversion of funds for City services to meet pension obligations
- Budget constraints which limit the City's ability to offer programs and maintain appropriate staffing levels

A summary of the City's municipal service level statistics for FY 2015 is provided in Table A.2 of **Attachment A**.

### **3.2.3.1**      *Animal Control, Vector Control*

The City of Albany contracts with the City of Berkeley Animal Control Services for animal control services. FY 2015 expenditures were \$66,801.50.

For 2015, 6 dog licenses were issued per 1,000 population (115 total). The number of animals handled in 2015 by City of Berkeley Animal Control Services and the number of calls for service in Albany were not available.

Throughout Alameda County, and including the City of Albany, vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, with the exception of the City of Albany. The Alameda County Vector Control Services District provides mosquito abatement services for the City.

### **3.2.3.2 Fire and Emergency Response**

The City of Albany shares fire protection services with the City of Berkeley. FY 2015 expenditures were \$2.4 million, down from \$3.8 million in FY 2008.

There were 14,411 reported calls for fire and emergency response service in 2015, down from 12,238 in 2008. Average fire and emergency response time in 2015 was 3:28. Average response time was 4 minutes in 2008. The National Fire Protection Association (NFPA) standard requires fire and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>7</sup> The City reports that the fire station and equipment serving Albany are in good condition.

### **3.2.3.3 Law Enforcement**

The City of Albany provides law enforcement and dispatch services. FY 2015 expenditures were \$5.8 million, up from \$4.8 million in FY 2008.

The City of Albany has 1.4 FTE sworn personnel per 1,000 population, which represents a slight decrease from 1.7 FTE in 2008. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>8</sup> There was a drop in crimes per sworn FTE from 26.1 in 2008 to 20.1 in 2015. The property and violent crime clearance rates (a measure of crimes solved) were not available.<sup>9</sup> The City reports that its police station and equipment are in good repair.

### **3.2.3.4 Library**

Alameda County provides library services for the City of Albany, with one location. Library expenditures for the City were \$112.17 per capita (\$2.1 million total) for FY 2015.

Average circulation per capita was 20.37 in 2015 and 0.76 public access computer was provided per 1,000 population.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>10</sup> Select statistical data for the most recent year (FY 2014/2015) is provided

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<sup>7</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

<sup>8</sup> National Sources of Law Enforcement Employment Data. April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

<sup>9</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

<sup>10</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lids/librarystats.html>



in this MSR Update for comparative purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY2014/2015.

### ***3.2.3.5 Lighting and Streets***

Lighting (street and traffic) in the City of Albany is provided by the City and maintained by Alameda County. City expenditures for light and signal maintenance were \$914 per street mile for FY 2008. Total FY 2015 expenditures were \$24,000 or \$828 per street mile.

The City of Albany provides and maintains approximately 29 street miles and 4 Class 1 and 2 bike lane miles. FY 2015 expenditures for streets were \$742,135.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in the City of Albany was 63 (at risk) in 2009.<sup>11</sup> Pavement at the low end of the 60-69 (fair) range is significantly distressed and may require a combination of rehabilitation and preventive maintenance. The PCI decreased to 57 (at risk) in 2015, which is well below the target PCI of 75 (good) MTC has established.<sup>12</sup> An "at risk" PCI (50-59) indicates deteriorated pavement requiring immediate attention, including rehabilitative work.

### ***3.2.3.6 Parks and Recreation***

The City of Albany is the primary service provider for parks and recreation. FY 2015 expenditures were \$3,033,186.

The City provides and maintains 6 park acres per 1,000 residents, 1 recreation center, and 1 mile of recreation trails. The City reports that its park facilities are in good condition and several improvements are planned over the next 5 years. The City collaborates with the East Bay Regional Park District via the Measure WW grant program to fund park improvements.

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. The City of Albany's level of service standard is 3 acres per 1,000 new residents.

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<sup>11</sup> 2008 data were not available

<sup>12</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

### **3.2.3.7 Planning and Building**

The City of Albany Community Development Department provides planning and building services. FY 2015 expenditures were \$696,493.

The City issued 805 residential and 47 commercial building permits. Total building permit valuation in FY 2015 is estimated at \$20,740,295. The adopted planning documents reported by the City are listed in **Attachment B**.

### **3.2.3.8 Solid Waste**

Solid waste services are provided to the City of Albany by Waste Management. Waste Management transports solid waste collected from the City of Albany to the Altamont Landfill and Resource Recovery Facility in Livermore. The City of Albany did not incur costs for solid waste for FY 2015.

The City reported 0.33 ton of waste disposed per capita for FY 2015, and a total diversion rate of 84%. The FY 2015 per resident disposal rate was 1.8 pounds/resident/day.

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

### **3.2.3.9 Utilities and Broadband**

Pacific Gas & Electric provides gas and electricity services to the City of Albany. The City coordinates with Pacific Gas & Electric regarding the location and condition of gas pipelines within city boundaries. Albany is a member of the recently formed East Bay Community Energy Authority.

The City of Albany does not provide public broadband service. XFINITY from Comcast, AT&T U-verse, and Sonic.net each offer internet access to the city. These providers use a variety of wired technologies including cable and DSL. The City of Albany did not indicate concerns about the availability or reliability of high-speed internet services. The CPUC currently considers 6 Mbps download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the California Public Utilities Commission (CPUC), and developed a comparative report card for 2013. The City of Albany received a grade of C, which indicates that internet service providers meet the CPUC's minimum 6 megabits per

second (Mbps) download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.<sup>13</sup>

The City of Albany did not indicate concerns about the ability of utility service or broadband providers to serve Albany's existing or growing population.

### **3.2.4 City Services Determinations**

#### ***3.2.4.1 Present and Planned Capacity of Facilities, Adequacy of Public Service***

The City of Albany reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.

Average fire and emergency response time was 3:28 in 2015, which exceeds the NFPA standard.

There are no DUCs within or contiguous to the City's SOI.

#### ***Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs***

As an indication of the need for infrastructure investment, the PCI for streets in the City of Albany was 57 (at risk) for 2015.<sup>14</sup> This is well below above the target of 75 MTC has established. Albany is one of four cities in Alameda County which have "at risk" PCIs between 50 and 59.

When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

#### ***Consistency with Capital Improvement Plans***

The City of Albany does not have a facility and infrastructure assessment and replacement program. However, the City's identified the following top three infrastructure improvement priorities: sewers, streets, and storm drainage.

Many of the planned capital projects reflect major rehabilitation to aging infrastructure including area streets and sanitary sewers. The City has also purchased a site to serve as a City Maintenance Center. This will improve the long-term general upkeep and performance of preventative maintenance, which is a cost effective means to protect the City assets.

#### ***Consistency with Local and Regional Land Use Plans and Policies***

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's

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<sup>13</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www. bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).

<sup>14</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### 3.2.4.2 *Status and Opportunities for Shared Facilities*

The sharing of municipal services and facilities involves centralizing functions and facilities. Municipalities will collaborate through joint-use and shared services agreements for the joint provision of public services and joint use of public facilities as a way to save resources.

#### *Current Shared Services*

The City provides an array of municipal services, with the exception of animal control, library, lighting, solid waste, utilities, vector control, and water. These services are provided via contract with Alameda County, public vendors, or private vendors. The City does not share facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

#### *Duplication of Existing or Planned Facilities*

This review did not identify any duplication of existing or planned facilities.

#### *Availability of Excess Capacity*

No excess service or facility capacity was identified as part of this review.

### 3.2.5 **Financial Overview**

This section provides an overview of the City’s financial health and provides a context for assessing the City’s financial ability to provide services.

Key FY 2015 financial information for City of Albany municipal operations is discussed below. The information in this section has been obtained from the audited 2015 Comprehensive Annual Financial Report (CAFR) and from City staff. For comparative purposes, FY 2008 CAFR and staff-provided financial information is also included where available.

#### 3.2.5.1 *Revenues and Expenditures*

A comparison of the revenues and expenditures for the City’s governmental and proprietary funds is shown in **Table 3.5**.

TABLE 3.5  
CITY OF ALBANY  
COMPARISON OF REVENUE AND EXPENDITURES  
FY 2008 AND FY 2015

	FY 2008	FY 2015
Total Revenue	\$26,077,888	\$28,138,741

	FY 2008	FY 2015
Total Expenditures	\$21,061,422	\$26,880,316
<b>Net Surplus/(Deficit)</b>	<b>\$5,016,466</b>	<b>\$1,258,425</b>

In FY 2015, total expenditures for the City of Albany exceeded \$26.8 million, which represents an increase of approximately \$5.8 million from FY 2008, while revenue also rose 7%

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and Expenditures for the General fund are shown in **Table 3.6**. General Fund expenditures constituted approximately 59% (\$15.8 million) of the total city expenditures.

**TABLE 3.6**  
**CITY OF ALBANY**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Property Tax	\$4,794,633	\$5,863,625
Franchise and Other Taxes	\$4,079,219	\$3,947,372
Sales Tax	\$2,182,934	\$3,508,838
Current Service Charges	\$1,332,128	\$1,702,276
Other	\$1,488,698	\$1,864,546
<b>Total Revenue</b>	<b>\$13,877,612</b>	<b>\$16,866,655</b>
Expenditures by Program		
Police	\$4,882,618	\$5,804,565
General Government	\$1,973,817	\$3,142,088
Fire	\$3,866,042	\$2,401,570
Recreation and Community Services	\$1,711,290	\$2,535,782
Community Development	\$2,510,146	\$1,849,340
Other (capital and debt)	—	\$119,947
<b>Total Expenditures</b>	<b>\$14,943,913</b>	<b>\$15,853,292</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$1,066,301)</b>	<b>\$1,033,363</b>

Total General Fund expenditures have increased by approximately \$1.2 million (8%) since FY 2008. The major expenditure of the City's General Fund is Police services, which accounts for approximately 37% of the fund's annual expenditure stream. The other four program areas follow closely at 20%, 15%, 16%, and 12% respectively.

The major revenues to the City's General Fund are taxes (property taxes, franchise and other taxes, and sales taxes). **Table 3.7** provides an overview of the largest tax revenue sources which together comprise 75% of City of Albany revenue.

**TABLE 3.7**  
**CITY OF ALBANY**  
**COMPARISON OF TAX REVENUES**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Sales Tax	\$2,182,934	\$3,508,838
Property Tax	\$11,166,306	\$10,458,518
Franchise and Other Taxes	\$4,134,888	\$4,038,199
Total tax revenue	17,484,128	18,005,555

Property tax is the City's largest revenue source, representing 35% of General Fund revenue. The City's property tax revenue has decreased by approximately \$707,788 (6%) since FY 2008 as Albany continues its recovery from the recession. Sales tax revenue for FY 2015 was above FY 2008 levels. City of Albany sales tax revenue has increased by approximately \$1.3 million (61%) since FY 2008.

### 3.2.5.2 *Debt*

**Table 3.8** summarizes the City's obligations, debt, and liabilities.

**TABLE 3.8**  
**CITY OF ALBANY**  
**COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES**  
**FY 2008 AND FY 2015**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$18,850,000	\$16,110,000
Ratio of Direct Debt <sup>1</sup> to Net Assessed Valuation	1.09%	0.73%
Ratio of Combined Debt <sup>2</sup> to Net Assessed Valuation	1.2%	0.31%
Unfunded Pension Liability	\$0	\$19,315,323

<sup>1</sup> General bonded debt

<sup>2</sup> Direct and overlapping debt

Standard and Poor's suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilized capital investment capacity. The City of Albany has lowered its general bonded debt since 2008 to approximately \$847 per capita. The ratios of direct debt and combined debt to net assessed valuation have decreased since 2008.

Similar to many cities, the City of Albany has seen an increase in its reported unfunded pension liability, partially due to Governmental Accounting Standards Board (GASB) 68.<sup>15</sup> The City's

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<sup>15</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports.

unfunded pension liability,<sup>16</sup> is 115% of the general fund revenue for FY 2015 (i.e., more than the total general fund revenue would be needed to fully fund the existing pension liability if addressed all in one year). In general, growth in unfunded pension liability places an increased burden on City and is undesirable because it can result in substantial budgetary pressures in the long-term. The City reports that it has developed a policy regarding funding its pension obligations for public safety retirees.

### 3.2.5.3 Reserves

The City's CAFR does not explicitly state a reserve goal policy, although the City does maintain an unassigned general fund balance. As of June 30, 2015 the general fund balance was \$7.5 million, of which approximately \$4.2 million is unassigned. The unassigned fund balance serves to provide an operating reserve, and as such, it is important that it is maintained at an appropriate level in relationship to annual operating expenditures.

Albany's unassigned General Fund reserve level was \$5.7 million for FY 2015, up from \$3.2 million in FY 2008. The City does not maintain an economic uncertainty reserve fund separate from the General Fund reserve.

### 3.2.5.4 Fiscal Health Indicators

Overall, the City of Albany appears to be in positive fiscal health, as shown by the General Fund fiscal indicators in **Table 3.9**.

**TABLE 3.9**  
**CITY OF ALBANY**  
**GENERAL FUND FISCAL INDICATORS**  
**FY 2008 AND FY 2015**

Indicator	FY 2008 Value	FY 2015 Value
Net Operating Deficit/Surplus	\$176,212	1,056,547
Liquidity Ratio <sup>1</sup>	—	6.3
Fund Balance as Percent of Expenditures <sup>2</sup>	24%	38%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures

Since FY 2008, the City has reported a surplus in their annual operating General Fund. The five-year average was \$2,468,876 in FY 2015. The general fund balance was \$7.5 million, of which approximately \$4.2 million is unassigned and serves to provide an operating reserve.

<sup>16</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city's General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Standard and Poor's assigned Albany a bond rating of AA+ (high quality).

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). In the case of the City of Albany, the City's assets increased by approximately \$1.2 million or 1.2%. The total liabilities increased by approximately \$18.4 million or 62.2%. The largest portion of the City of Albany's net position is \$40.7 million in net investment in capital assets (e.g., land, buildings, equipment, and infrastructure). This category represents the cost of these assets less any outstanding debt used to acquire these assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future expenditures. The City's unrestricted net position totaled \$51.2 million for FY 2015.

### ***3.2.5.5 Financial Reporting***

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end. The City of Albany CAFR for FY 2015 was published in March 2016, which is not within 6 months of the fiscal year end. The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

## **3.2.6 Financial Determinations**

### ***3.2.6.1 Financial Ability of Agency to Provide Services***

The City anticipates the need to allocate resources for basic City Services including public safety, as well as planning for major capital improvements. The City Council examines Capital Improvement Projects over a five-year timeframe and formally adopts a Capital Improvement Plan. The City has used a variety of revenue sources including grant funding and locally generated fees and taxes to address capital needs. Efforts are made to also prioritize the capital projects based upon links to the strategic plan and goals established by the City Council.

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Overall, the City of Albany appears to have sufficient financial resources to continue providing services, as well as to accommodate infrastructure expansion, improvements, or replacement, as indicated below.



***Operating General Fund deficit and surplus trends for the past five years***

The City of Albany reports a five-year trend of surpluses in their annual operating general fund. At the end of FY 2015, the general fund balance was \$7.5 million, of which approximately \$4.2 million is unassigned and serves to provide an operating reserve.

***Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing***

For FY 2015, there were no transfers from the General Fund reserves to fund capital projects.

***Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year***

As of June 30, 2015 the unassigned general fund balance represented approximately 38% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

***Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year***

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 6.3, which indicates the City has the means available to cover its existing obligations in the short-term.

***Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end***

The City issued its CAFR approximately 9 months after fiscal year end, which is not considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

**3.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

***3.2.7.1 Online Availability of City Governance Information***

The City of Albany website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

### 3.2.7.2 *Online Availability of City Planning Information*

The City of Albany website provides public access to the City’s general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

### 3.2.7.3 *Public Involvement*

The City of Albany website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

### 3.2.8 **Service Review Determinations Summary**

**Table 3.10** summarizes the service review determinations discussed throughout Section 3.2.

**TABLE 3.10  
CITY OF ALBANY  
SUMMARY OF SERVICE REVIEW DETERMINATIONS**

Determination Area and Criteria	Determination
<i><b>Growth and population projections for the affected area</b></i>	
Projected growth and demographic changes in and around the agency’s service areas based on ABAG population projections	ABAG projects that the City of Albany will grow at an annual rate of 0.6% to a population of 21,000 in 2030. The City is also projected to experience a 1% annual growth rate in jobs between 2010 and 2030. Overall, the City’s planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	The City of Albany does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI within the next five years. The City did not indicate whether it consults with outside municipal service providers to ensure that the PDAs as identified in Plan Bay Area will receive adequate services at buildout.
<i><b>Location and characteristics of DUCs within or contiguous to the SOI</b></i>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	There are no disadvantaged unincorporated communities within or contiguous to the SOI for the City of Albany.
<i><b>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</b></i>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	The City of Albany reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.  As an indication of the need for infrastructure investment, the PCI for streets

Determination Area and Criteria	Determination
	<p>in the City of Albany was 57 (at risk) for 2015, which is well below above the target of 75 MTC has established.</p> <p>When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.</p>
<p>Consistency with capital improvement plans</p>	<p>The City of Albany does not have a facility and infrastructure assessment and replacement program. However, the City's identified the following top three infrastructure improvement priorities: sewers, streets, and storm drainage. Many of the planned capital projects reflect major rehabilitation to aging infrastructure including area streets and sanitary sewers. The City has also purchased a site to serve as a City Maintenance Center. This will improve the long-term general upkeep and performance of preventative maintenance, which is a cost effective means to protect the City assets.</p>
<p>Consistency with local and regional land use plans and policies</p>	<p>The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.</p>
<p><b><i>Financial ability of the agency to provide services</i></b></p>	
<p>Operating General Fund deficit and surplus trends for the past five years</p>	<p>The City of Albany reports a five-year trend of surpluses in their annual operating general fund.</p>
<p>Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing</p>	<p>For FY 2015, there were no transfers from the General Fund reserves to fund capital projects.</p>
<p>Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year</p>	<p>At approximately 38% of operating expenditures, the City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.</p>
<p>Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year</p>	<p>The City reported a liquidity ratio of 6.3, which indicates the City has the means available to cover its existing obligations in the short-term.</p>
<p>Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end</p>	<p>The City published its CAFR approximately 9 months after fiscal year end, which is not considered timely by the GASB. The CAFR was audited by an independent certified public accountant and received a clean opinion.</p>
<p><b><i>Status of and opportunities for shared facilities</i></b></p>	
<p>Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas</p>	<p>The City provides an array of municipal services, with the exception of animal control, library, lighting, solid waste, utilities, and vector control. These services are provided via contract with Alameda County or private vendors. The City does not share facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.</p>

Determination Area and Criteria	Determination
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency's website	The City of Albany website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency's website	The City of Albany website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.
Time and place for public to provide input prior to decision being made	The City of Albany website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

### 3.3 Sphere of Influence Review and Determinations

#### 3.3.1 Sphere of Influence Boundary Recommendation

The SOI for the City of Albany is coterminous with the municipal boundary, as shown in Figure 3.1. The City is surrounded by the cities of Berkeley in Alameda County and El Cerrito in Contra Costa County; no further outward growth is possible.

This report recommends that Alameda LAFCo maintain and reaffirm the existing SOI for the City of Albany.

This report also recommends that LAFCo encourage the City of Albany to take the necessary steps to annex into the Alameda County Mosquito Abatement District.

#### 3.3.2 Sphere of Influence Determinations for the City of Albany

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 3.11**. These determinations are made as part of the review of the existing SOI and are based on the information in this City of Albany MSR profile.

**TABLE 3.11**  
**CITY OF ALBANY**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	The City of Albany plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including residential, commercial and mixed use, and public and open space. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (2013).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for the City of Albany. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
<i>The present and probable future capacity of public facilities and services</i>	The present capacity of public facilities in the City of Albany appears adequate. The City of Albany anticipates it will continue to have adequate capacity during the next five years.
<i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i>	All communities of interest within the City's municipal boundary are included within the SOI. Alameda LAFCo has not identified specific social or economic communities of interest relevant to the City of Albany.

Criteria	Determination
<i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i>	The City of Albany shares structural fire protection facilities and services within its SOI with the City of Berkeley and provides sewer facilities and services within its SOI; water is provided by East Bay Municipal Utility District.. There are no DUCs within or contiguous to the SOI for the City of Albany and therefore no present or probable need for these facilities and services for DUCs.

# Chapter 4

## City of Berkeley

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### 4.1 Agency Overview



The City of Berkeley, incorporated in 1878, covers an area of 18 square miles. The 2010 U.S. Census Bureau data shows the population as 112,580. The California Department of Finance estimates the January 1, 2016 population as 119,915. The City has a population density of approximately 6,662 persons per square mile.

The City of Berkeley lies on the San Francisco Bay, with the City of Albany on the northwest, the City of Emeryville on the south, and the City of Oakland on the southeast. Land uses in the City include a mix of residential, business, commercial, manufacturing, and open space. The SOI for the City of Berkeley is mostly coterminous with the municipal boundary, with a small extension (overlapping the City of Oakland municipal boundary) on the east at Panoramic Way (**Figure 4.1**).

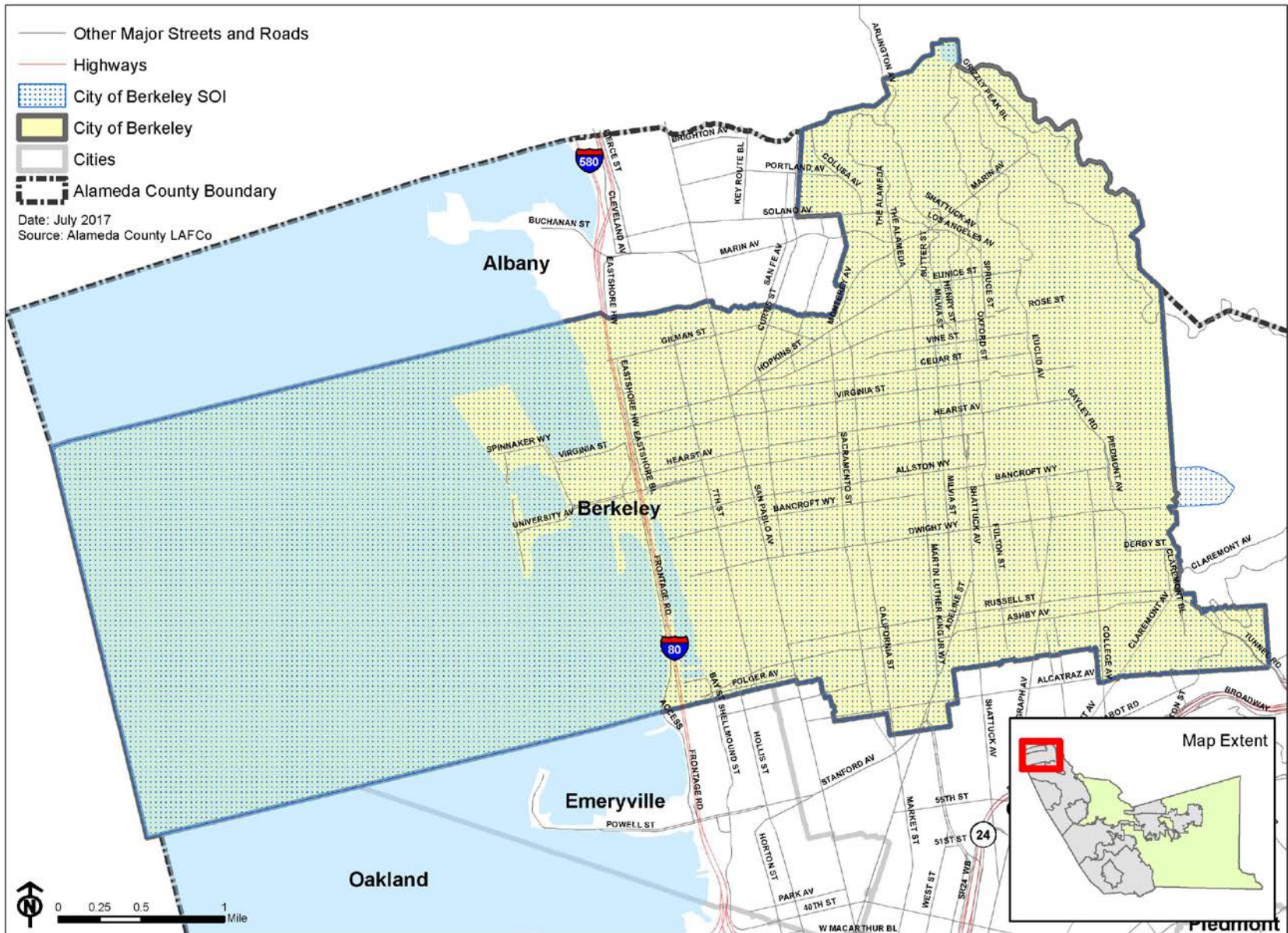
The municipal services considered in this review that are provided by the City of Berkeley include: animal control, fire and emergency response, law enforcement, library, lighting, parks and recreation, planning/building, stormwater, and streets. Other services, such as solid waste, are provided under contract with other service providers.

#### 4.1.1 City Staffing

Total City staffing for fiscal year (FY) 2015 included 1,335.91 full-time equivalent (FTE) employees.<sup>1</sup> **Table 4.1** shows the four service areas with the highest staffing levels.

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<sup>1</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 4.1. City of Berkeley Municipal Boundary and Sphere of Influence**



**TABLE 4.1  
CITY OF BERKELEY  
HIGHEST STAFFING LEVELS BY SERVICE AREA**

Service Area	FY 2015 FTE
Public Works/Transportation	289.60
Police	273.30
General Government	175.78
Fire	140.00

Source: City of Berkeley Comprehensive Annual Financial Report 2015.

Unlike other cities in Alameda County, the public works/transportation function had the highest staffing level in the City of Berkeley, with 289.6 FTE employees.

### 4.1.2 Form of Government

The City of Berkeley is a charter city operating under the council-manager form of government. The City Council consists of eight members, including the elected Mayor; members serve four-year terms.

### 4.1.3 Joint Powers Authorities

The City of Berkeley is a member of several joint powers authorities (JPAs), which are listed in **Table 4.2**.

**TABLE 4.2  
CITY OF BERKELEY  
JOINT POWERS AUTHORITY MEMBERSHIP**

Joint Powers Authority	Service
Alameda Contra-Costa Transit District	—
Alameda County Transportation Improvement Authority	—
Alameda County Lead Abatement	—
Alameda County Transportation Commission	The mission of the Alameda County Transportation Commission is to plan, fund and deliver transportation programs and projects that expand access and improve mobility to foster a vibrant and livable Alameda County
Association of Bay Area Governments	ABAG’s mission is to strengthen cooperation and collaboration among local governments to provide innovative and cost effective solutions to common problems that they face.
Alameda County Waste Management Authority	The Authority is responsible for preparation of the Alameda County Integrated Waste Management Plan and Alameda County Hazardous Waste Management Plan. It manages a long-range program for development of solid waste facilities and offers many programs in the areas of source reduction and recycling, market development,

Joint Powers Authority	Service
Bay Cities Joint Powers Insurance Agency Tom Bates Fields	technical assistance and public education. Funding is provided by per-ton disposal and waste import mitigation fees. —
East Bay Community Energy Authority Joint Powers Board	Work with Albany, El Cerrito, Emeryville and Richmond to acquire, develop and maintain the Tom Bates Fields at Gilman Street
Water Transit Authority Advisory Committee League of California Cities	East Bay Community Energy is a joint powers authority that aggregates electricity demand within participating Alameda County jurisdictions in order to procure more sustainable electricity for its customers. —
East Bay Communications System Authority	Emergency/public safety radio system

Source: City of Berkeley

#### 4.1.4 Awards and Recognition

The City of Berkeley has reported receiving one award since the 2008 Municipal Service Review (MSR)—the 2013 Distinguished Budget Presentation Award issued by the Government Finance Officers Association.

## 4.2 Service Review Determinations

The purpose of this MSR is described in Chapter 1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR Update, the following analysis informs the determinations which have been prepared for the City of Berkeley.

### 4.2.1 Growth and Population Projections

According to the 2016 California Department of Finance estimates, the City of Berkeley serves 119,915 residents within its municipal boundary.

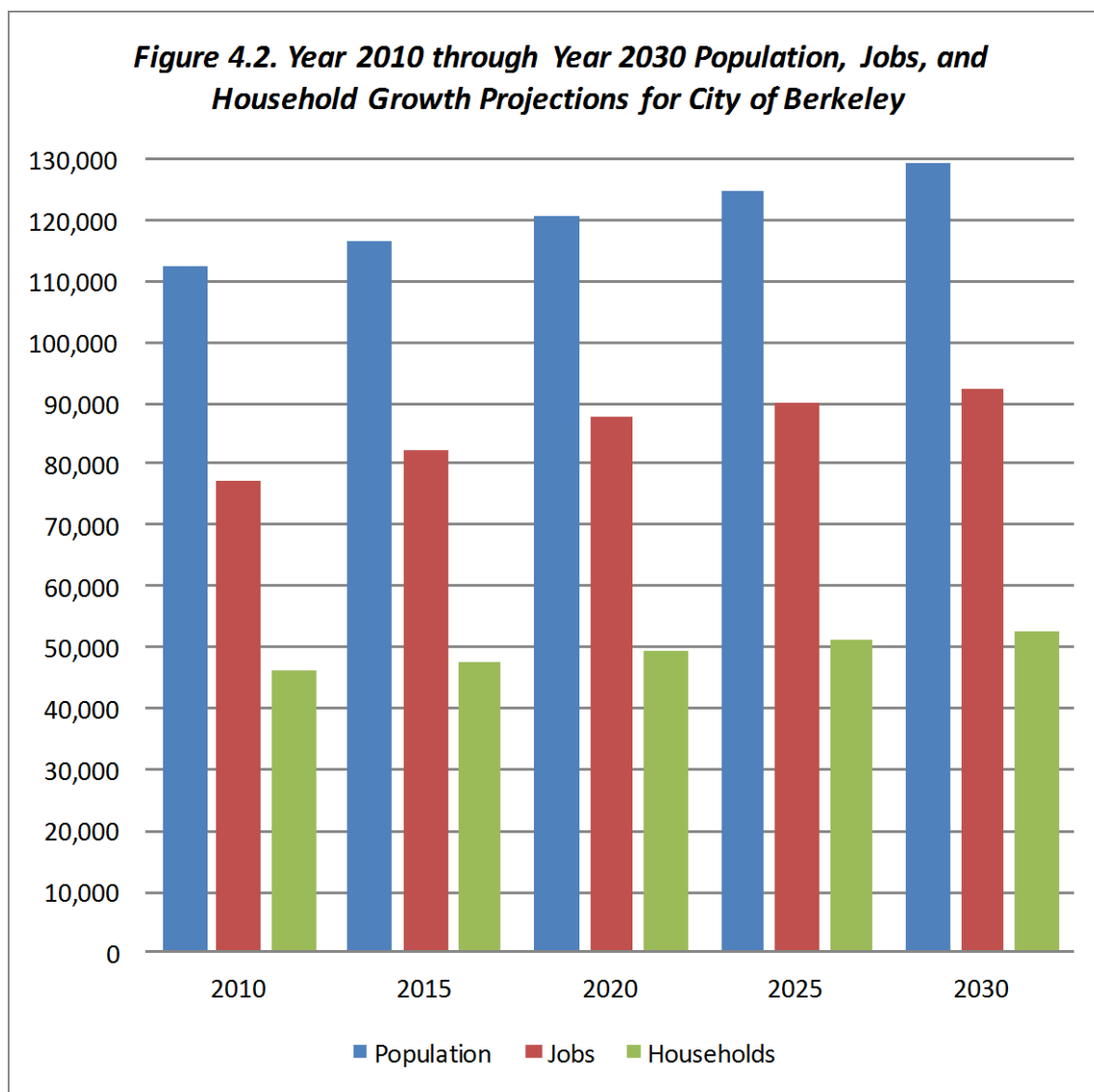
#### 4.2.1.1 *Projected Growth and Demographic Changes*

As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>2</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes 30-year growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for the City of Berkeley are depicted in **Figure 4.2**.

ABAG projects that the City's population will grow at an annual rate of 0.7% to a population of 129,200 in 2030. The City is also projected to experience a 0.9% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.

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<sup>2</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.



**Jobs and Housing**

According to ABAG Bay Area Census data<sup>3</sup> for 2010, the City of Berkeley has 52,737 employed residents. The ABAG and MTC jobs forecast estimates 77,110 jobs in the City, with approximately 1.46 jobs for every employed resident. ABAG estimates that the City of Berkeley has 49,454 housing units, which results in a job/housing balance of 1.56. The number of renter-occupied units in the City is greater than the number of owner-occupied housing units (**Table 4.3**), indicating that the rental household rate exceeds the rate of homeownership.

<sup>3</sup> ABAG Bay Area Census data are derived from US Census data specific to the Bay Area.

**TABLE 4.3**  
**CITY OF BERKELEY**  
**HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	18,846
Renter-occupied housing units	27,183
Other <sup>1</sup>	3,425
Total existing housing units	49,454
<b>Regional Housing Need Allocation by Income Category 2014-2022</b>	
Above moderate	1,401
Moderate	584
Low	442
Very low	532
<i>Total Regional Housing Need Allocation</i>	<i>2,959</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their housing element how they will meet their Regional housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>4</sup> The City was assigned an RHNA of 2,959 units, as shown in Table 4.3.

The City adopted its General Plan in 2002 and its Housing Element in 2015. The City has identified six potential PDAs for infill development, including housing. The City's 2015–2023 Housing Element identifies adequate sites, anticipated to yield 5,328 units, which are appropriately zoned to address the affordable housing demand and anticipated to meet and exceed its 2014-2022 assigned RHNA. Berkeley's Housing Element has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *Planning for an Aging Population*

The number of adults age 50 and older in Alameda County is projected to grow from 449,754 in 2010 to 701,000 in 2030, an increase of 55.9% and representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>5</sup>

The City of Berkeley's Aging Services Division provides health, housing, and community services. In addition, the City's Housing Element includes Policy H-17, Housing for Seniors, which

<sup>4</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>5</sup> Year 2010–2030 ABAG projections.

supports housing programs that encourage senior households to remain in their homes or neighborhoods, and helps locate other suitable affordable housing to rent or purchase.

#### **4.2.1.2      *Anticipated Growth Patterns***

The City of Berkeley reported approximately 3,411 undeveloped entitled residential acres in FY 2015. The City of Berkeley has not provided information on projects identified as part of the FY17–FY22 projected growth at the time of this report.

PDA, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. Six PDAs have been identified for the City of Berkeley in Plan Bay Area. The Adeline Street, San Pablo Avenue, South Shattuck, Telegraph Avenue, and University Avenue PDAs are characterized as future mixed-use corridors. The Downtown PDA is characterized as a city center.

The Adeline Street PDA consists of 42 acres for which the City is currently developing a Specific Plan. The San Pablo Avenue PDA consists of 72 acres and extends from the Albany border to the Oakland border and includes properties immediately adjacent to San Pablo Avenue. The South Shattuck PDA consists of 16 acres along this main arterial street that runs north-south in the City. The Telegraph Avenue PDA consists of 155 acres on the eastern side of the City. By the end of 2020, the City estimates 439 new dwelling units can be developed in the PDA. The University Avenue PDA consists of 53 acres and is anchored by two regional centers, Downtown Berkeley and West Berkeley. The Downtown PDA consists of 119 acres centered on the Downtown Berkeley BART station in the heart of Berkeley. Within the Housing Element’s planning period of 2015 to 2023, the City estimates that 860 housing units will be built in the Downtown PDA. The City did not indicate whether it consults with outside municipal service providers to ensure that the PDAs will receive adequate services at buildout.

Priority Conservation Areas, which are areas of regionally significant open space facing development pressure, also help form the implementing framework for Plan Bay Area. The City of Berkeley is urbanized and it has not identified any Priority Conservation Areas in its General Plan.

The City of Berkeley does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI. The City does not anticipate any changes to its SOI.

#### **4.2.2      **Boundaries, Islands, and Disadvantaged Unincorporated Communities****

The City of Berkeley’s SOI is mostly coterminous with its municipal boundary, with a small extension on the east at Panoramic Way into the City of Oakland (see Figure 4.1).

The City of Berkeley currently provides services outside its municipal boundary and SOI via automatic aid and mutual aid agreements with the City of Albany, Town of Kensington, and

Tilden Park (Moraga-Orinda Fire Protection District for Fire Response). Berkeley also provides animal control services to Albany via contract.

No unincorporated islands have been identified in the City of Berkeley.

#### 4.2.2.1 *Disadvantaged Unincorporated Communities*

With the exception of the San Francisco Bay, the City of Berkeley is surrounded by incorporated cities (Albany, Emeryville, and Oakland). There are no identified DUCs within or contiguous to the SOI for the City of Berkeley and therefore, no DUCs are relevant to this analysis.

#### 4.2.3 City Services Overview

As noted in Section 4.1 and as shown in **Table 4.4**, municipal services for the City of Berkeley are provided by City staff and under contract with other service providers. Municipal services considered in this update are discussed individually below. Stormwater, water, and wastewater services will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

**TABLE 4.4**  
**CITY OF BERKELEY**  
**MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	City of Berkeley	—
Fire and Emergency Response	City of Berkeley	—
Law Enforcement	City of Berkeley	—
Library	City of Berkeley	—
Lighting	City of Berkeley	—
Parks and Recreation	City of Berkeley	—
Planning/Building	City of Berkeley	—
Solid Waste	—	—
Stormwater	City of Berkeley	—
Streets	City of Berkeley	—
Utilities and Broadband:		
Electricity	—	Pacific Gas & Electric
Gas	—	Pacific Gas & Electric
Broadband	—	Comcast, AT&T, Sonic.net
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Mosquito Abatement District
Water	—	East Bay Municipal Utility District
Wastewater	—	East Bay Municipal Utility District

Source: City of Berkeley

The City has not provided information regarding any new, improved, or discontinued services for the years since the 2008 MSR update at the time of this report. Monthly Reduced Service days (during which City offices are closed) have been implemented as a cost-saving measure for the City.

The City of Berkeley did not identify any opportunities, but reports the following challenges related to its provision of municipal services:

### **Challenges**

- Homelessness
- Affordable housing
- Deferred maintenance for infrastructure

A summary of the City's municipal service level statistics for FY 2015 is provided in Table A.3 of **Attachment A**.

#### ***4.2.3.1 Animal Control, Vector Control***

The City of Berkeley Animal Shelter is the animal control service provider. Berkeley also provides animal control services via contract to the City of Albany. Services provided by the shelter include the enforcement of city ordinances related to animals; removal of killed or injured wildlife; impoundment of stray pets; and investigation of animal-related neglect, cruelty, nuisance, and bite cases. Expenditures for the City of Berkeley Animal Shelter were \$1,673,952 in FY 2015.

For 2015, the City of Berkeley Animal Shelter reports that 102 dog licenses were issued per 1,000 population, and 1,317 animal licenses total. The number of animals handled by City of Berkeley Animal Shelter in 2015 was 2,081 and the number of calls received for service was 4,153.

Throughout Alameda County, and including the City of Berkeley, vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, including the City of Berkeley.



### **4.2.3.2 Fire and Emergency Response**

The City of Berkeley provides fire protection and emergency response services. In addition, the Alameda County Fire Department staffs one station that serves the Lawrence Berkeley National Laboratory. Public safety expenditures, which include fire and emergency response, were \$84,925,360 for FY 2015.

There were 14,610 reported calls for fire and emergency response service in 2015. Average fire and emergency response time was 5 minutes in 2015 and 4:46 in 2008. The National Fire Protection Association (NFPA) standard requires fire and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>6</sup> The City reports that its fire stations are in good to fair condition, with several needing capital improvements, and that its fire equipment is in good condition, with first line apparatus having been replaced in either 2009 or 2016.

### **4.2.3.3 Law Enforcement**

The City of Berkeley provides law enforcement and dispatch services. Public safety expenditures, which include law enforcement, were \$84,925,360 for FY 2015. Public safety expenditures account for approximately 63% of General Fund expenditures.

The City of Berkeley reports having 1.4 FTE sworn personnel per 1,000 population. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>7</sup> There were 71 crimes per sworn FTE in 2015. The property crime clearance rate (a measure of crimes solved) was 4.5% in 2015, while the violent crime clearance rate was 40%.<sup>8</sup> The City reports that its police stations and equipment are in good repair and adequate for provision of services.

### **4.2.3.4 Library**

The City of Berkeley provides library services within the City, with five locations—Central Library, Claremont Branch, North Branch, Tarea Hall Pittman South Branch, and West Branch. The Berkeley Public Library also has a Tool Lending Library location. The Berkeley Public Library is committed to developing collections, resources, and services that meet the cultural, informational, recreational, and educational needs of Berkeley's diverse, multi-cultural

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<sup>6</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

<sup>7</sup> National Sources of Law Enforcement Employment Data. April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

<sup>8</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

community. The library supports independent learning, personal growth, and the individual's need for information. Library expenditures were approximately \$137 per capita (\$16.4 million total) for FY 2015.

Average circulation per capita was 15.8 in 2015 and 1.1 public access computer was provided per 1,000 population.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>9</sup> Select statistical data for the most recent year (FY 2014/2015) is provided in this MSR Update for comparative purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY2014/2015.

#### **4.2.3.5      *Lighting and Streets***

Lighting (street and traffic) in the City is provided and maintained by the City of Berkeley. City expenditures for light and signal maintenance were \$1,037,187, or \$4,802 per street mile, in FY 2015 and reported as \$16,166 per street mile for FY 2008.

The City of Berkeley provides and maintains 216 street miles and approximately 32 Class 1 and 2 bike lane miles. FY 2015 expenditures for streets were \$1,193,388.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in the City of Berkeley was 60 (at risk) in 2009.<sup>10</sup> Pavement at the low end of the 60-69 (fair) range is significantly distressed and may require a combination of rehabilitation and preventive maintenance. The PCI decreased to 58 (at risk) in 2015, which is well below the target PCI of 75 (good) MTC has established.<sup>11</sup> An "at risk" PCI (50-59) indicates deteriorated pavement requiring immediate attention, including rehabilitative work.

#### **4.2.3.6      *Parks and Recreation***

The City is the primary service provider for parks and recreation. FY 2015 expenditures for parks were approximately \$17.9 million in FY 2015 and reported as \$23,560 per acre for maintenance in FY 2008.

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<sup>9</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lids/librarystats.html>

<sup>10</sup> 2008 data were not available

<sup>11</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

The City provides and maintains 4 park acres per 1,000 residents.

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. The City of Berkeley's level of service standard is 2 acres per 1,000 new residents.

#### ***4.2.3.7 Planning and Building***

The City of Berkeley Department of Planning and Development provides planning and building services. The Land Use Planning Division develops and implements land use policy for the City of Berkeley, including preparing and amending area plans, and reviewing projects for compliance with plans, policies, and regulations. The adopted planning documents reported by the City are listed in **Attachment B**. The Building and Safety Division reviews construction documents for code conformance, approves permits, inspects construction projects to ensure plan and code conformance, and provides code information and interpretation to the public and city agencies. Department expenditures for FY 2015 were \$14,492,842.

The City issued 3,285 residential and 563 commercial building permits in 2015. Total building permit valuation in FY 2015 is estimated at \$537.3 million.

#### ***4.2.3.8 Solid Waste***

Solid waste services are provided by the City of Berkeley. The City of Berkeley FY 2015 expenditures for solid waste services were \$28,431,840.

The City reported 3.1 tons of waste disposed per capita for FY 2015, and a total diversion rate of 76%. The FY 2015 per resident disposal rate was 6 pounds/resident/day.

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

#### ***4.2.3.9 Utilities and Broadband***

Pacific Gas & Electric provides gas and electricity services to the City of Berkeley. The City coordinates with Pacific Gas & Electric regarding the location and condition of gas pipelines including providing map locations of pipelines. Berkeley is a member of the recently formed East Bay Community Energy Authority.

The City of Berkeley does not provide public broadband service. XFINITY from Comcast, AT&T U-verse, and Sonic.net each offer internet access to the city. These providers use a variety of wired technologies including cable and DSL. The City of Berkeley did not indicate concerns about the availability or reliability of high-speed internet services. The California Public Utilities

Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report card for 2013. The City of Berkeley received a grade of C+, which indicates that internet service providers meet the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.<sup>12</sup>

The City did not indicate concerns about the ability of utility service or broadband providers to serve its existing or growing population.

#### **4.2.4 City Services Determinations**

##### ***4.2.4.1 Present and Planned Capacity of Facilities, Adequacy of Public Service***

The City of Berkeley reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.

Average fire and emergency response time was 5 minutes in 2015, which meets the NFPA standard.

As noted above, there are no DUCs within or contiguous to the City's SOI.

##### ***Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs***

As an indication of a need for infrastructure investment, the pavement condition index (PCI) for streets in the City of Berkeley was 58 (at risk) for 2015.<sup>13</sup> This is well below the target of 75 MTC has established. Berkeley is one of four cities in Alameda County which have "at risk" PCIs between 50 and 59.

When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

##### ***Consistency with Capital Improvement Plans***

The City develops a Capital Improvement Program and Budget on a biennial basis to address long-term needs of capital assets and infrastructure.

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<sup>12</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www. bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).

<sup>13</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

### *Consistency with Local and Regional Land Use Plans and Policies*

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

#### *4.2.4.2 Status and Opportunities for Shared Facilities*

The sharing of municipal services and facilities involves centralizing functions and facilities. Municipalities will collaborate through joint-use and shared services agreements for the joint provision of public services and joint use of public facilities as a way to save resources.

#### *Current Shared Services*

The City provides an array of municipal services, with the exception of solid waste, utilities, vector control, wastewater, and water services. These services are provided via contract with Alameda County, public vendors, or private vendors. The City of Berkeley provides services outside its municipal boundary and SOI via automatic aid and mutual aid agreements with the City of Albany, Town of Kensington, and Tilden Park (Moraga-Orinda Fire Protection District for Fire Response). The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

#### *Duplication of Existing or Planned Facilities*

This review did not identify any duplication of existing or planned facilities.

#### *Availability of Excess Capacity*

No excess service or facility capacity was identified as part of this review.

### **4.2.5 Financial Overview**

This section provides an overview of the City's financial health and provides a context for assessing the City's financial ability to provide services.

Key FY 2015 financial information for City of Berkeley municipal operations is provided in the discussion below. The information in this section has been obtained from the audited 2015 CAFR and from City staff. For comparative purposes, FY 2008 Comprehensive Annual Financial Report (CAFR) and staff-provided financial information is also included where available.

#### *4.2.5.1 Revenues and Expenditures*

A comparison of the revenues and expenditures for the City's governmental and proprietary funds is shown in **Table 4.5**.

**TABLE 4.5**  
**CITY OF BERKELEY**  
**COMPARISON OF REVENUE AND EXPENDITURES FUNDS**  
**FY 2008 AND FY 2015**

	FY 2008	FY 2015
Total Revenue	\$294,489,503	\$330,435,730
Total Expenditures	\$267,107,910	\$316,285,334
<b>Net Surplus/(Deficit)</b>	<b>\$18,381,593</b>	<b>\$14,150,396</b>

In FY 2015, total expenditures for the City of Berkeley exceeded \$316.2 million, which represents an increase of approximately \$48.2 million from FY 2008. Revenues increase by 12% over the same period.

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and Expenditures for the General fund are shown in **Table 4.6**.

**TABLE 4.6**  
**CITY OF BERKELEY**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Taxes	\$100,442,254	\$120,868,690
Intergovernmental	\$8,616,837	\$10,685,874
Charges for Services	\$6,138,085	\$9,898,475
Fines and Penalties	\$10,624,641	\$5,943,279
Investment Income	\$6,323,199	\$2,348,867
Franchise	\$1,731,548	\$1,820,785
Rents and Royalties	\$101,431	\$537,140
Licenses and Permits	\$272,111	\$494,438
Miscellaneous	\$2,094,643	\$430,826
Contributions / Donations	\$202,906	\$8,107
Cost Reimbursements	\$5,109,485	—
<b>Total Revenue</b>	<b>\$141,657,140</b>	<b>\$153,036,481</b>

Type	FY 2008	FY 2015
Expenditures by Program		
Public Safety	\$73,425,235	\$84,925,360
General Government	\$29,992,736	\$27,953,175
Health and Welfare	\$9,512,772	\$6,761,072
Culture – Recreation	\$6,113,274	\$6,647,159
Community Development / Housing	\$3,346,647	\$5,452,413
Other (economic development and debt)	\$3,095,835	\$2,034,414
Highways and Streets	\$1,513,091	\$1,193,388
<b>Total Expenditures</b>	<b>\$126,999,590</b>	<b>\$134,966,981</b>
<b>Net Surplus/(Deficit)</b>	<b>\$14,657,550</b>	<b>\$18,069,500</b>

General Fund expenditures constituted approximately 42.6% (approximately \$135 million) of the overall total expenditures. Total General Fund expenditures have increased by approximately \$8 million (5%) since FY 2008. Public safety services comprise the major expenditures (63%) for the City's General Fund.

The major revenues to the City's General Fund are taxes (e.g., property, sales, utility users), which comprise approximately 79% of the fund's annual revenue stream. The primary source of revenue is property tax, which has increased by approximately 44% (\$22.5 million) since FY 2008. This increase can be somewhat attributed to the housing market recovery after the Great Recession of 2008–2009. **Table 4.7** provides a comparison of the largest components of Berkeley's overall tax revenues.

**TABLE 4.7**  
**CITY OF BERKELEY**  
**COMPARISON OF TAX REVENUES**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Sales Tax	\$15,310,010	\$17,111,938
Property Tax	\$51,184,853	\$73,726,035
Utility Users Tax	\$15,310,895	\$14,337,343
Business License Tax	—	\$16,098,978
Transient Occupancy Tax	—	\$7,131,568
Total tax revenue	\$81,805,758	\$128,405,862

The City's property tax revenue has increased by approximately \$22.5 million (44%) over FY 2008 levels, while sales tax revenue has increased by approximately \$2 million (11.8%) during the same period.

### 4.5.2.2 Debt

**Table 4.8** summarizes the City's obligations, debt, and liabilities.

**TABLE 4.8**  
**CITY OF BERKELEY**  
**COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES**  
**FY 2008 AND FY 2015**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$74,790,000	\$91,245,604
Ratio of Direct Debt <sup>1</sup> to Net Assessed Valuation	0.67%	0.64%
Ratio of Combined Debt <sup>2</sup> to Net Assessed Valuation	1.12%	0.98%
Unfunded Pension Liability	<i>not available</i>	\$446,986,788

<sup>1</sup> General bonded debt

<sup>2</sup> Direct and overlapping debt

Standard and Poor's suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilized capital investment capacity. The general bonded debt for City of Berkeley has increased since 2008 to approximately \$761 per capita. The ratios of direct debt and combined debt to net assessed valuation have decreased since 2008.

Similar to many cities, the City of Berkeley has seen an increase in its reported unfunded pension liability, partially due to Governmental Accounting Standards Board GASB 68.<sup>14</sup> The City's unfunded pension liability<sup>15</sup> is 292% of the general fund revenue for FY 2015 (i.e., almost three times the general fund revenue would be needed to fully fund the existing pension liability if addressed all in one year). In general, growth in unfunded pension liability places an increased burden on City and is undesirable because it can result in substantial budgetary pressures in the long-term. The City indicates that it is currently considering the development of a policy regarding funding its pension obligations.

### 4.2.5.3 Reserves

The City's CAFR does not explicitly state a reserve goal policy, although the City does maintain an unassigned general fund balance. For FY 2015, the unassigned General Fund reserve balance was \$45.8 million. Berkeley's unassigned General Fund reserve levels have increased by 42% since FY 2008. Berkeley does not have a separate Economic Uncertainty Reserve Fund outside the General Fund reserve.

<sup>14</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports.

<sup>15</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city's General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.



#### 4.2.5.4 *Fiscal Health Indicators*

Overall, the City of Berkeley appears to be in positive fiscal health, as shown by the General Fund fiscal indicators in **Table 4.9**.

**TABLE 4.9**  
**CITY OF BERKELEY**  
**GENERAL FUND FISCAL INDICATORS**  
**FY 2008 AND FY 2015**

Indicator	FY 2008 Value	FY 2015 Value
Net Operating Deficit/Surplus	\$14,657,551	\$18,069,497
Liquidity Ratio <sup>1</sup>	5.46	6.20
Fund Balance as Percent of Expenditures <sup>2</sup>	38.03%	39.48%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures.

Since FY 2008, the City has reported a surplus in their annual operating General Fund. The five-year average was not provided at the time of this report.

The unassigned General Fund Balance was \$45.8 million of the approximately \$135 million FY 2015 expenditures.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Standard and Poor's has assigned Berkeley a bond rating of AA+ (high quality).

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). In the case of the City of Berkeley, assets exceeded liabilities by \$5.9 million for FY 2015. The City's unrestricted net position totaled -\$412.4 million. The negative balance is in part a result of the GASB 68 change in accounting with new recognition of the net pension liability.

The largest portion of the City of Berkeley's net position is \$293 million in net investment in capital assets. The City of Berkeley uses these assets to provide services to citizens; consequently, these assets are not available for future spending.

#### 4.2.5.5 *Financial Reporting*

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end.

The City of Berkeley published its CAFR for FY 2015 in a timely manner (within 6 months of the fiscal year end). The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

## **4.2.6 Financial Determinations**

### ***4.2.6.1 Financial Ability of Agency to Provide Services***

The City anticipates the need to allocate resources for basic City Services including public safety, as well as planning for major capital improvements. The City Council examines Capital Improvement Projects over a five-year timeframe and formally adopts a Capital Improvement Plan. The City has used a variety of revenue sources including grant funding and locally generated fees and taxes to address capital needs. Efforts are made to also prioritize the capital projects based upon links to the strategic plan and goals established by the City Council.

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Overall, the City of Berkeley appears to have sufficient financial resources to continue providing services, as well as to accommodate infrastructure expansion, improvements, or replacement, as indicated below.

#### ***Operating General Fund deficit and surplus trends for the past five years***

The City of Berkeley reports a five-year trend of surpluses in their annual operating general fund.

#### ***Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing***

For FY 2015, \$7,731,607 was transferred from the General Fund reserves to fund capital projects.

#### ***Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year***

At the end of FY 2015, the unassigned general fund balance represented approximately 39.5% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

#### ***Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year***

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 6.2, which indicates the City has the means to cover its existing obligations in the short-term.

*Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end*

The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

#### **4.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

##### ***4.2.7.1 Online Availability of City Governance Information***

The City of Berkeley website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

##### ***4.2.7.2 Online Availability of City Planning Information***

The City of Berkeley website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

##### ***4.2.7.3 Public Involvement***

The City of Berkeley website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

#### **4.2.8 Service Review Determinations Summary**

**Table 4.10** summarizes the service review determinations discussed throughout Section 4.2.

**TABLE 4.10**  
**CITY OF BERKELEY**  
**SUMMARY OF SERVICE REVIEW DETERMINATIONS**

Determination Area and Criteria	Determination
<b><i>Growth and population projections for the affected area</i></b>	
Projected growth and demographic changes in and around the agency's service areas based on ABAG population projections	ABAG projects that the City's population will grow at an annual rate of 0.7% to a population of 129,200 in 2030. The City is also projected to experience a 0.9% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	The City of Berkeley does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI. The City did not indicate whether it consults with outside municipal service providers to ensure that the PDAs identified in Plan Bay Area will receive adequate services at buildout.
<b><i>Location and characteristics of DUCs within or contiguous to the SOI</i></b>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	There are no identified DUCs within or contiguous to the SOI for the City of Berkeley.
<b><i>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</i></b>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	The City of Berkeley reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future. The City has acknowledged the deferred maintenance of infrastructure as one of its top challenges for the provision of services. As an indication of a need for infrastructure investment, the PCI for streets in the City of Berkeley was 58 (at risk) for 2015, which is well below the target of 75 MTC has established. When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.
Consistency with capital improvement plans	The City develops a Capital Improvement Program and Budget on a biennial basis to address long-term needs of capital assets and infrastructure.
Consistency with local and regional land use plans and policies	The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

Determination Area and Criteria	Determination
<b><i>Financial ability of the agency to provide services</i></b>	
Operating General Fund deficit and surplus trends for the past five years	The City of Berkeley reports a five-year trend of surpluses in their annual operating general fund.
Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing	For FY 2015, \$7,731,607 was transferred from the General Fund reserves to fund capital projects.
Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year	At approximately 39.5% of operating expenditures, the City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.
Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year	The City reported a liquidity ratio of 6.2, which indicates the City has the means to cover its existing obligations in the short-term.
Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end	The City published its CAFR approximately 6 months after fiscal year end, which is considered timely by the GASB. The CAFR was audited by an independent certified public accountant and received a clean opinion.
<b><i>Status of and opportunities for shared facilities</i></b>	
Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas	The City provides an array of municipal services, with the exception of solid waste, utilities, vector control, water, and wastewater services. These services are provided via contract with Alameda County or private vendors. The City of Berkeley provides services outside its municipal boundary and SOI via automatic aid and mutual aid agreements with the City of Albany, Town of Kensington, and Tilden Park (Moraga-Orinda Fire Protection District for Fire Response). The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency's website	The City of Berkeley website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency's website	The City of Berkeley website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

<b>Determination Area and Criteria</b>	<b>Determination</b>
Time and place for public to provide input prior to decision being made	The City of Berkeley website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 4.3 Sphere of Influence Review and Determinations

### 4.3.1 Sphere of Influence Recommendation

The SOI for the City of Berkeley is coterminous with the municipal boundary, with a small extension on the east at Panoramic Way in the City of Oakland (see Figure 4.1). The City is surrounded by the cities of Albany, Emeryville, and Oakland and no further outward growth is possible. This report recommends that Alameda LAFCo maintain and reaffirm the existing SOI for the City of Berkeley.

This report also recommends that Alameda LAFCo encourage the cities of Berkeley and Oakland to initiate the reorganization of territory in the Panoramic Hill area.

### 4.3.2 Sphere of Influence Determinations for the City of Berkeley

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 4.11**. These determinations are made as part of the review of the existing SOI and are based on the information in this City of Berkeley MSR profile.

**TABLE 4.11**  
**CITY OF BERKELEY**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	The City of Berkeley plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including residential, business, commercial, manufacturing, and open space. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (2002).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for the City of Berkeley. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
<i>The present and probable future capacity of public facilities and services</i>	The present capacity of public facilities in the City of Berkeley appears adequate. The City of Berkeley anticipates it will continue to have adequate capacity during the next five years.
<i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i>	All communities of interest within the City's municipal boundary are included within the SOI. Alameda LAFCo has not identified specific social or economic communities of interest relevant to the City of Berkeley.

<p><i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i></p>	<p>The City of Berkeley provides structural fire protection and sewer facilities and services within its SOI; water is provided by East Bay Municipal Utility District. There are no DUCs within or contiguous to the SOI for the City of Berkeley and therefore no present or probable need for these facilities and services for DUCs.</p>
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# Chapter 5

## City of Dublin

### 5.1 Agency Overview



The City of Dublin, incorporated in 1982, covers an area of 14.6 square miles. The most recent U.S. Census Bureau data shows the population as 46,036. The California Department of Finance estimates the January 1, 2016 population as 57,349. The City has a population density of approximately 3,928 persons per square mile.

The City of Dublin is surrounded by unincorporated Alameda County, and the incorporated cities of Livermore and Pleasanton in Alameda County, and San Ramon in Contra Costa County. Land uses in the City include a mix of residential, commercial, industrial, and open space. The Sphere of Influence (SOI) for the City of Dublin is mostly coterminous with the municipal boundary, extending slightly to the west as shown in **Figure 5.1**.

The municipal services considered in this review that are provided by the City of Dublin include: parks and recreation, planning/building, and streets. Other services, such as police, fire, library, and solid waste, are provided under contract with other service providers.

#### 5.1.1 City Staffing

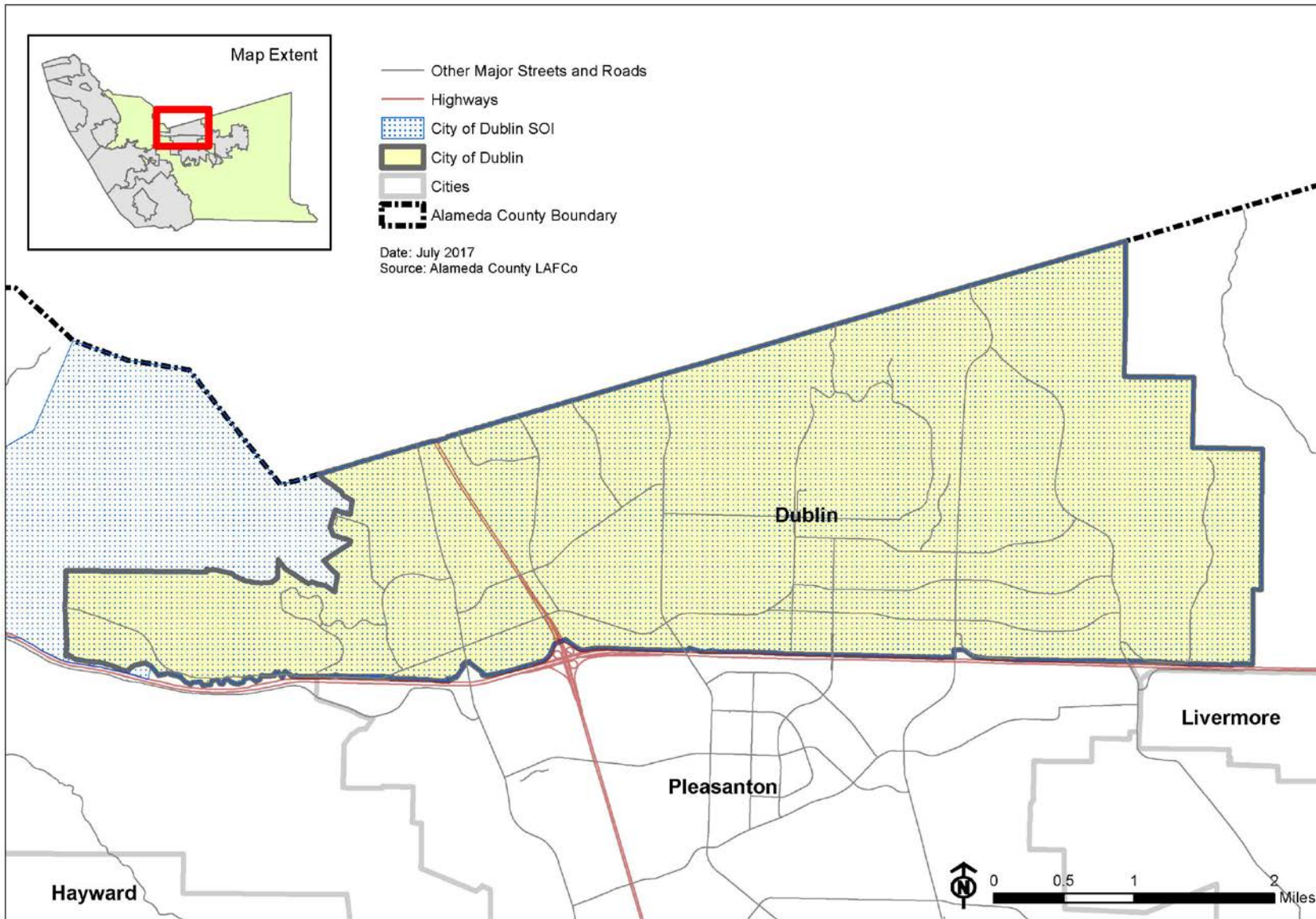
Total City staffing for fiscal year (FY) 2015 included 219.23 full-time equivalent (FTE) employees.<sup>1</sup> **Table 5.1** shows the four service areas with the highest staffing levels.

**TABLE 5.1**  
**CITY OF DUBLIN**  
**HIGHEST STAFFING LEVELS BY SERVICE AREA**

Service Area	FY 2015 FTE
Police	59.00
Fire	39.64
Planning and Building	24.45
Parks, Community Services	16.81

Source: City of Dublin FY 2015 Comprehensive Annual Financial Report, 2016.

<sup>1</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 5.1. City of Dublin Municipal Boundary and Sphere of Influence**

Similar to other cities in Alameda County, the police function had the highest staffing level in the City of Dublin, with 59.0 FTE employees.

### 5.1.2 Form of Government

The City of Dublin is a general law operating under a council-manager form of government. The City Council consists of seven members, including the Mayor; members serve four-year terms, and the elected Mayor serves a two-year term.

### 5.1.3 Joint Powers Authorities

In addition to a Joint Powers Authority (JPA) with the cities of Pleasanton and Livermore and the County of Alameda for animal control services, the City of Dublin is also a member the JPAs listed in **Table 5.2**.

**TABLE 5.2**  
**CITY OF DUBLIN**  
**JOINT POWERS AUTHORITY MEMBERSHIP**

Joint Powers Authority	Service
Alameda County Congestion Management Program	formed in 1991 by a joint exercise of powers agreement between the County and cities of Alameda for the purpose of preparing, implementing and administering a traffic congestion management plan pursuant to California Government Code section 66531.
Alameda County Street Light Acquisition	—
Associated Community Action Program	—
Association of Bay Area Governments	ABAG’s mission is to strengthen cooperation and collaboration among local governments to provide innovative and cost effective solutions to common problems that they face.
Dougherty Regional Fire Authority	
East Bay Community Energy Authority	East Bay Community Energy is a joint powers authority that aggregates electricity demand within participating Alameda County jurisdictions in order to procure more sustainable electricity for its customers.
East Bay Regional Communication System Authority	Emergency/public safety radio system
Energy Council	Formed in Spring 2013 as a Joint Powers Agency to seek funding on behalf of its member agencies to develop and implement programs and policies that reduce energy demand, increase energy efficiency, advance the use of clean, efficient and renewable resources, and help create climate resilient communities. The Energy Council assists its members in strengthening staff capacity, providing technical expertise, and securing funds to implement local sustainable energy strategies.—
Livermore-Amador Valley Transit Authority	Livermore Amador Valley Transit Authority (LAVTA) was established in 1985 under a Joint Powers Agreement to provide public transit in the cities of Dublin, Livermore, Pleasanton, and in unincorporated areas of Alameda

Joint Powers Authority	Service
LAVTA Paratransit Services	County. LAVTA is governed by a seven member Board of Directors.
Local Government Services Authority	—
Regional Government Services Authority	—
Tri-Valley Transportation Council	formed pursuant to a Joint Exercise of Powers Agreement establishing the Tri-Valley Transportation Council (TVTC), among the County of Alameda, the County of Contra Costa, the City of Livermore, the City of Pleasanton, the City of San Ramon, the City of Dublin, and the Town of Danville. The TVTC periodically evaluates the impacts of projected land uses on regional transportation infrastructure in the Tri-Valley area. The TVTC oversees the expenditures of the Tri-Valley Transportation Development Fund.
Tri-Valley Transportation Development Fees for Traffic Mitigation	—
Western Riverside Council of Governments	Provide wide variety of government services in the areas of transportation, environment, energy, economy, and health.

Source: City of Dublin

#### 5.1.4 Awards and Recognition

**Table 5.3** lists the awards the City of Dublin has reported receiving since the 2008 Municipal Service Review (MSR).

**TABLE 5.3**  
**CITY OF DUBLIN**  
**AWARDS**

Award	Issuer	Year(s) Received
All-America City	National Civic League	2011
Planning Project Award	American Planning Association of Northern California	2012
Growing Smarter Together Award	ABAG	2013
Project of the Year Transportation - Small Cities	American Public Works Association - Northern CA	2013
Helen Putnam Award	CA League of Cities	2014
Government Leadership Award – Tri Valley Intergovernmental Reciprocal Services Agreement	CALAFCO	2015
Award of Excellence	CAPIO	2016

Source: City of Dublin

## 5.2 Service Review Determinations

The purpose of the MSR is described in Chapter 1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR Update, the following analysis informs the determinations which have been prepared for the City of Dublin.

### 5.2.1 Growth and Population Projections

According to the 2016 California Department of Finance estimates, the City of Dublin serves 57,349 residents within its municipal boundary.

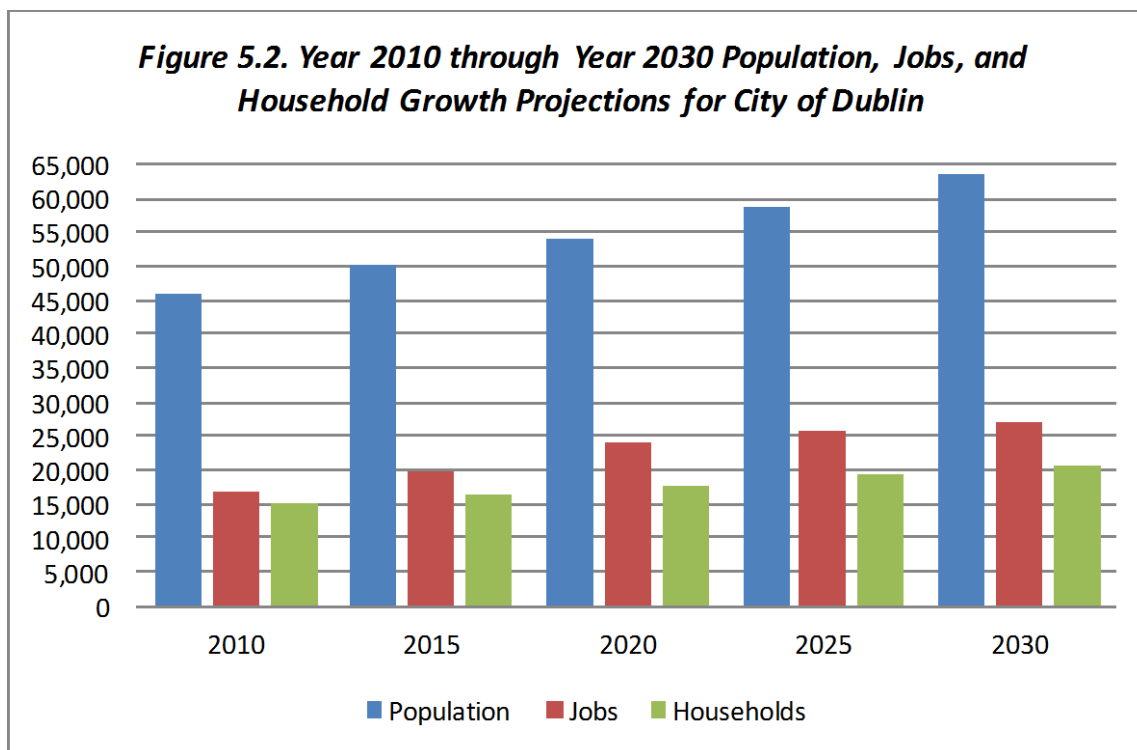
#### 5.2.1.1 *Projected Growth and Demographic Changes*

As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>2</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes 30-year growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for the City of Dublin are depicted in **Figure 5.2**.

ABAG projects that the City's population will grow at an annual rate of 1.6% to a population of 63,500 in 2030. The City of Dublin is also projected to experience a 2.4% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.

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<sup>2</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.



**Jobs and Housing**

According to ABAG Bay Area Census data<sup>3</sup> for 2010, the City of Dublin has 19,986 employed residents. The ABAG and MTC jobs forecast estimates 16,810 jobs in the City, with approximately 20.84 jobs for every employed resident. ABAG estimates that the City of Dublin has 15,782 housing units, which results in a job/housing balance of 1.06. The number of owner-occupied units in the City is greater than the number of renter-occupied housing units (**Table 5.4**), indicating that the rate of homeownership exceeds the rental household rate.

**TABLE 5.4  
CITY OF DUBLIN  
HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	9,425
Renter-occupied housing units	5,488
Other <sup>1</sup>	869
Total existing housing units	15,782

<sup>3</sup> ABAG Bay Area Census data are derived from US Census data specific to the Bay Area.

Housing Statistic	Number
Regional Housing Need Allocation by Income Category	2014-2022
Above moderate	618
Moderate	425
Low	446
Very low	796
<i>Total Regional Housing Need Allocation</i>	<i>2,285</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their housing element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>4</sup> The City of Dublin was assigned an RHNA of 2,285 units, as shown in Table 5.4.

The City adopted its General Plan in 2015 and its Housing Element in November 2014. The City has identified three potential PDAs for infill development, including housing. The City's 2015–2023 Housing Element identifies adequate sites, anticipated to yield 3,671 units, which are appropriately zoned to address the affordable housing demand and anticipated to meet and exceed its 2014–2022 assigned RHNA. The Housing Element has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *Planning for an Aging Population*

The number of adults age 50 and older in Alameda County is projected to grow from 449,754 in 2010 to 701,000 in 2030, an increase of 55.9% and representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>5</sup>

The City of Dublin provides the following programs pertaining to an aging population:

- Senior Classes & Activities
- Dublin Senior Foundation, a charitable, nonprofit organization created to benefit seniors in the Dublin area
- Dublin Senior Center offers a variety of classes, activities, and programs
- Senior Lunch Program
- Senior Newsletter Dublin Doings
- Senior Advisory Committee
- Van Trips and Tours

<sup>4</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>5</sup> Year 2010–2030 ABAG projections.

### **5.2.1.2 Anticipated Growth Patterns**

The City of Dublin reported approximately 770 entitled residential acres and approximately 78 undeveloped entitled residential acres in FY 2015. The City reported an additional 200 residential acres that are not entitled.

There are numerous projects identified as part of the FY16–FY21 projected growth for the City and include 4,087 dwelling units and 265,696 commercial square feet. These projects are either approved or in the approval process.

PDA's, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. Three PDA's have been identified for the City of Dublin in Plan Bay Area. The Downtown Specific Area, Town Center, and Transit Center PDA's are each characterized as suburban centers.

Approximately 2,500 housing units are planned for the Downtown Dublin Specific Plan PDA, which consists of approximately 260 acres north of I-580 and south of Amador Valley Boulevard, between San Ramon Road and Village Parkway. Approximately 5,843 housing units are planned for the Dublin Town Center PDA, which consists of approximately 694 acres north of Dublin Boulevard and south of Gleason Drive, between Hacienda Drive and Fallon Road. Approximately 3,745 housing units are planned for the Dublin Transit Center/Dublin Crossing PDA consists of approximately 277 acres north of I-580 and south of 5<sup>th</sup> Street, between Arnold Road and the Iron Horse Trail. The City consults with outside municipal service providers to ensure that the PDA's will receive adequate services at buildout.

Priority Conservation Areas, which are areas of regionally significant open space facing development pressure, also help form the implementing framework for Plan Bay Area. The City of Dublin has not identified any Priority Conservation Areas in its General Plan.

The City of Dublin does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI in the next five years.

## **5.2.2 Boundaries, Islands, and Disadvantaged Unincorporated Communities**

The City of Dublin is surrounded by unincorporated Alameda County, and the incorporated cities of Livermore and Pleasanton in Alameda County, and San Ramon in Contra Costa County. The City's SOI is roughly coterminous with its municipal boundary, with a portion of the SOI extending beyond the municipal boundaries to the west along Dublin Canyon Road to near Eden Canyon Road (see Figure 5.1).

As noted in Chapter 1, the potential exists to modify the SOI for the City of Dublin to include the Doolan Canyon Area. In 2011, the City of Dublin considered amending the eastern portion of its SOI to incorporate approximately 1,650 acres in the Doolan Canyon area consisting of mostly agricultural and open space lands. Also in 2011, the neighboring City of Livermore sought to amend its SOI to include approximately 3,000 acres in the Cottonwood Creek watershed near



Doolan Canyon Road—some of which overlapped with the acreage in City of Dublin’s requested SOI amendment. Alameda LAFCo did not consider Livermore’s request, but held it in abeyance, encouraging the cities to work together and resolve the conflict in the Doolan Canyon area.

In 2014, Dublin’s voters approved the Open Space Initiative which protects from development the City’s Eastern Extended Planning Area, which includes the Doolan Canyon area. This initiative was placed on the ballot in opposition to a separate initiative proposing the annexation of the same area by the City of Dublin.

The City does not provide services to any areas outside its SOI. The City did not indicate any anticipated changes to its SOI within the next five years. No unincorporated islands have been identified in the City of Dublin.

### 5.2.2.1 *Disadvantaged Unincorporated Communities*

There are no identified DUCs within or contiguous to the SOI for the City of Dublin and therefore, no DUCs are relevant to this analysis.

### 5.2.3 City Services Overview

As noted in Section 5.1 and as shown in **Table 5.5**, municipal services for the City of Dublin are provided by City staff, Alameda County, and under contract with other service providers. Municipal services considered in this update are discussed individually below. Stormwater, water, and wastewater will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

**TABLE 5.5**  
**CITY OF DUBLIN**  
**MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	—	Alameda County Sheriff, East County Animal Shelter
Fire and Emergency Response	—	Alameda County Fire Department
Law Enforcement	—	Alameda County Sheriff
Library	—	Alameda County
Lighting	—	Alameda County
Parks and Recreation	City of Dublin	—
Planning/Building	City of Dublin	—
Solid Waste	—	Amador Valley Industries
Stormwater	—	Alameda County Flood Control Zone 7
Streets	City of Dublin	MCE Corporation
Utilities and Broadband:		
Electricity	—	Pacific Gas & Electric
Gas	—	Pacific Gas & Electric
Broadband	—	Comcast, AT&T

Service	Primary Service Provider	Non-city Service Provider
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Mosquito Abatement District
Water	—	Dublin San Ramon Services District
Wastewater	—	Dublin San Ramon Services District

Source: City of Dublin

In the years since the 2008 MSR update, the City has added the following programs:

**Information Services**

- Started videotaping City Council meetings
- Implemented new building permit system – allowing on-line building permit applications
- Creation of paperless/automated City Council Meeting Agenda process
- Implemented wireless network in Civic Center
- Implemented online web tool that provides the city’s budget information to the public

**Partnerships**

- Acquisition of federal and state lobbyist services in coordination with the cities of Livermore, Pleasanton, San Ramon, and the Town of Danville
- Partnered with Tri-Valley public agencies on joint employee training programs
- City waived the \$40,000 School Board contribution towards the School Resource Officer

**Public Safety**

- Creation and implementation of the Crime Free Multi-Housing Program
- Participated in National Drug take back
- Integrated Dublin Police Services/Fire Services into the East Bay Regional Communications System
- Conducted Personal Emergency Preparedness training for Dublin residents

**Environmental**

- City-wide Energy Audit
- Implementation of a recycling outreach program
- Created a Commute Alternative Program
- Implemented LED relamping project at intersections

**Parks & Community Services**

- Emerald Glen Park Recreation and Aquatic Complex
- Instituted Farmers’ Market at Emerald Glen
- Expanded preschool program classes at both Shannon Community Center and Emerald Glen Activity Center

## **Other**

- Created Human Services Commission
- Created Public Information division
- Created a Newly structured "Inside Dublin" Leadership Academy
- Revised City's Investment Policy to allow for the use of a contracted asset management firm
- Created an Annual Report of City accomplishments
- Completed first phase of City's new Public Safety Complex leased to Alameda County Fire Department

The City of Dublin has not eliminated any services since the 2008 MSR update.

The City of Dublin reports the following opportunities and challenges related to its provision of municipal services:

### **Opportunities**

- Use of budget surplus to plan for long-term fiscal sustainability
- Initiate and complete key capital improvement projects

### **Challenges**

- Projected deficit spending in 5 years as City nears buildout
- Rising costs for contract services
- Increased costs for subsidizing City assets

A summary of the City's municipal service level statistics for FY 2015 is provided in Table A.4 of **Attachment A**.

#### **5.2.3.1**      *Animal Control, Vector Control*

The Alameda County Sheriff and East County Animal Shelter provide shelter and field services for the City of Dublin, including field patrol, enforcement of laws related to domestic animal, investigation of dog bites and attacks, collection of stray and dead animals, and animal shelter services. City expenditures for animal control services were \$247,637 for FY2015.

For 2015, 666 animal licenses were issued by the East County Animal Shelter translating to 11.7 licenses issued per 1,000 population. The number of animals handled by the Alameda County Sheriff and East County Animal Shelter in 2015 was 415, and they received 565 calls for service in 2015.

Throughout Alameda County, and including the City of Dublin, vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the

District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, including the City of Dublin.

### ***5.2.3.2 Fire and Emergency Response***

The City contracts with Alameda County Fire Department (ACFD) for fire protection and first-responder paramedic services. The ACFD staffs three stations that serve the City of Dublin. Public safety expenditures, which include fire and emergency response, were approximately \$27.6 million for FY 2015.

There were 2,843 calls for fire and emergency response service in 2015. ACFD reports that average fire and emergency response time was 4:45 for 2015. Average response time was 5 minutes in 2008. The National Fire Protection Association (NFPA) standard requires fire and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>6</sup> The City reports that three fire stations and equipment meet current needs.

### ***5.2.3.3 Law Enforcement***

Police services for the City of Dublin are performed under contract with the Alameda County Sheriff's Office, including an Operations Division, an Operations Support Division, and a Crime Prevention Unit. Patrol, criminal investigations, crime prevention, and some business office functions are performed at the Civic Center location. Dispatch and some data processing functions are handled at Sheriff's Office facilities in Oakland and San Leandro. Public safety expenditures, which include law enforcement, were approximately \$27.6 million for FY 2015. Public safety expenditures account for 48% of General Fund expenditures.

The City of Dublin has 1.0 FTE sworn personnel per 1,000 population, which represents a slight decrease from 1.4 FTE in 2008. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>7</sup> The number of crimes per sworn FTE was 22.2 in 2015. The property crime clearance rate (a measure of crimes solved) was 15% in 2015 and the violent crime clearance

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<sup>6</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

<sup>7</sup> National Sources of Law Enforcement Employment Data. April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

rate was 51%.<sup>8</sup> The City reports that Dublin Police Services will be moved into the City's Public Safety Complex during FY 2018-19 to accommodate growth.

#### **5.2.3.4 Library**

Library services for the City of Dublin are provided under contract with Alameda County Library system. Additional funding is provided by the City, who owns the Dublin Public Library building. Library expenditures were \$13.58 per capita (\$779,034) for FY 2015.

Average circulation per capita was 10.1 items in 2015 and 0.91 public access computer was provided per 1,000 population.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>9</sup> Select statistical data for the most recent year (FY 2014/2015) is provided in this MSR Update for comparative purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY2014/2015.

#### **5.2.3.5 Lighting and Streets**

Lighting (street and traffic) is provided by the City of Dublin and maintained by Alameda County under a contract agreement. City expenditures for light and signal maintenance were \$741,609 in FY 2015.

The City of Dublin provides approximately 255 street miles and approximately 48 Class 1 and 2 bike lane miles. Street maintenance services are provided by MCE Corporation and include street sweeping; street repair; drainage system maintenance; storm patrol and clean-up; emergency and temporary curb, gutter, and sidewalk repair; traffic, street, and community sign repair and installation; striping and marking; guard rail repair; weed control; and bike and pedestrian path maintenance. FY 2015 expenditures for streets were \$575,674.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

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<sup>8</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

<sup>9</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lrs/librarystats.html>

The PCI for streets in the City of Dublin was 81 (very good to excellent) in 2009.<sup>10</sup> Pavement in this range (80-100) is newly reconstructed or resurfaced with few signs of distress. The PCI increased to 85 in 2015, which is above the target PCI of 75 (good) MTC has established. The City of Dublin has the best PCI in Alameda County and is tied only with Brentwood for the smoothest streets in the Bay Area.<sup>11</sup>

### **5.2.3.6 Parks and Recreation**

The City of Dublin is the primary service provider for parks and recreation. FY 2015 expenditures for parks were approximately \$6.8 million in FY 2015.

The City provides and maintains 3.99 park acres per 1,000 residents, 4 recreation centers at which the City provides extensive recreation programming,<sup>12</sup> and 23.6 miles of recreation trails.

The City works collaboratively the East Bay Regional Park District to fund park improvements through the District's various funding programs. Numerous additions and renovations to the City's park and recreation facilities are planned in the next five years, including:

#### **Additions**

- The Wave (Emerald Glen Recreation and Aquatics Complex)
- Fallon Sports Park Phase II
- Dublin Crossing Community Park
- Jordan Ranch Neighborhood Park
- Sean Diamond Park
- Cultural Arts Center
- Clover & Sunrise Park

#### **Renovations**

- Public Safety Complex
- Civic Center Modifications
- Dublin Sports Grounds
- Dublin Heritage Park Cemetery Improvements
- Library Improvements
- Shannon Center Parking Lot Improvements

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative

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<sup>10</sup> 2008 data were not available

<sup>11</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

<sup>12</sup> Family and teen programs, recreational activities, preschool programs, senior programs, senior programs, sports programs, and aquatic programs.

or parcel subdivision map. The City of Dublin's level of service standard is 5 acres per 1,000 new residents.

### ***5.2.3.7 Planning and Building***

The City of Dublin Community Development Department provides planning and building services, including the development of land use policy, review and regulation of land development, construction plan review, issuance of building permits, and inspection of construction work. FY 2015 expenditures were \$5,322,672.

The City issued 1,249 residential and 208 commercial building permits. Total building permit valuation in FY 2015 is estimated at \$356.7 million. The adopted planning documents reported by the City are listed in **Attachment B**.

### ***5.2.3.8 Solid Waste***

Solid waste services are provided to the City of Dublin by franchise agreement with Amador Valley Industries. Amador Valley Industries transports solid waste collected from the City of Dublin to the Altamonte Landfill in Livermore. The City reported 0.54 ton of waste disposed per capita for FY 2015, and a total diversion rate of 48.31%. The FY 2015 per resident disposal rate was 2.94 pounds/resident/day.

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

### ***5.2.3.9 Utilities and Broadband***

Pacific Gas & Electric provides gas and electricity services to the City of Dublin, and the City coordinates with them regarding the location and condition of gas pipelines. Dublin is a member of the recently formed East Bay Community Energy Authority.

The City does not provide public broadband service. XFINITY from Comcast and AT&T U-verse both offer internet access to the city. These providers use a variety of wired technologies including cable and DSL. The City of Dublin did not indicate concerns about the availability or reliability of high-speed internet services. The California Public Utilities Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report card for 2013. The City of Dublin received a grade of C, which indicates that internet service

providers meet the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.<sup>13</sup>

The City did not indicate concerns about the ability of utility service or broadband providers to serve its existing or growing population.

## **5.2.4 City Services Determinations**

### ***5.2.4.1 Present and Planned Capacity of Facilities, Adequacy of Public Service***

As noted above, there are no DUCs within or contiguous to the City's SOI.

Average fire and emergency response time was 4:45 in 2015, which exceeds the NFPA standard.

The City of Dublin reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.

#### ***Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs***

When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

#### ***Consistency with Capital Improvement Plans***

The City is currently undertaking a Total Cost of Ownership study which includes a facility and infrastructure assessment.

#### ***Consistency with Local and Regional Land Use Plans and Policies***

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### ***5.2.4.2 Status and Opportunities for Shared Facilities***

The sharing of municipal services and facilities involves centralizing functions and facilities. Municipalities will collaborate through joint-use and shared services agreements for the joint provision of public services and joint use of public facilities as a way to save resources.

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<sup>13</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www. bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).



### *Current Shared Services*

The City provides an array of municipal services, many of which are provided via contract with Alameda County, public vendors, or private vendors. The City does not share facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

### *Duplication of Existing or Planned Facilities*

This review did not identify any duplication of existing or planned facilities.

### *Availability of Excess Capacity*

No excess service or facility capacity was identified as part of this review.

## **5.2.5 Financial Overview**

This section provides an overview of the City's financial health and provides a context for assessing the City's financial ability to provide services.

Key FY 2015 financial information for City of Dublin municipal operations is discussed below. The information in this section has been obtained from the audited 2015 Comprehensive Annual Financial Report (CAFR) and from City staff. For comparative purposes, FY 2008 CAFR and staff-provided financial information is also included where available.

### **5.2.5.1 Revenues and Expenditures**

The City's largest revenue sources are taxes, Property and Sales taxes being the largest. As stated earlier, Dublin is a general law city with limited ability to set tax rates. The State Constitution establishes a maximum property tax rate and limits the growth of the assessed valuation of properties. The sales tax base rate and tax base is set by the state legislature. Increases in existing local taxes and any new taxes require voter approval.

A comparison of the revenues and expenditures for the City's governmental and proprietary funds is shown in **Table 5.6**.

**TABLE 5.6**  
**CITY OF DUBLIN**  
**COMPARISON OF REVENUE AND EXPENDITURES**  
**FY 2008 AND FY 2015**

	<b>FY 2008</b>	<b>FY 2015</b>
Total Revenue	\$98,055,232	\$104,244,388
Total Expenditures	\$73,436,621	\$72,176,812
<b>Net Surplus/(Deficit)</b>	<b>\$24,618,711</b>	<b>\$32,067,576</b>

In FY 2015, total citywide expenditures for the City of Dublin exceeded \$72.1 million, which represents a decrease of approximately \$1.2 million from FY 2008 due primarily to a reduction in capital outlay. Revenue has increased by \$6.2 million or 6% in the same period.

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and Expenditures for the General fund are shown in **Table 5.7**. General Fund expenditures constituted approximately 78% (\$56.5 million) of the overall total city expenditures.

**TABLE 5.7**  
**CITY OF DUBLIN**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Property Tax	\$22,098,429	\$29,437,951
Sales Tax	\$14,225,662	\$18,571,056
Charges for Services	\$6,482,093	\$10,338,553
Other Tax	\$3,504,502	\$6,159,654
Licenses and Permits	\$1,784,644	\$6,025,685
Other Revenue	\$866,991	\$3,406,685
Use of Property	\$335,151	\$1,001,582
Interest	\$4,129,034	\$550,264
Intergovernmental	\$1,079,088	\$483,300
Fines and Penalties	\$156,520	\$124,582
<b>Total Revenue</b>	<b>\$54,662,114</b>	<b>\$76,099,259</b>
Expenditures by Program		
Police	—	\$15,425,566
Fire	—	\$11,599,771
Park and Community Services	—	\$9,621,323
Public Works	—	\$6,802,671
General Government	\$5,253,337	\$6,673,470
Community Development	\$7,305,546	\$5,646,266
Economic Development	—	\$808,27
Capital Outlay	\$5,123,089	\$0
Public Safety	\$22,664,835	—
Culture and Leisure	\$7,205,291	—
Highways and Streets	\$2,017,084	—
Health and Welfare	\$51,304	—
<b>Total Expenditures</b>	<b>\$49,620,486</b>	<b>\$56,577,249</b>
<b>Net Surplus/(Deficit)</b>	<b>\$5,041,628</b>	<b>\$19,522,010</b>

Total General Fund expenditures have increased by approximately \$6.9 million (14%) since FY 2008. The major expenditure of the City's General Fund is for police and fire services, which accounts for 48% (\$27.0 million) of the fund's annual expenditure stream.

The major revenues to the City's General Fund are taxes, which comprise approximately 71% of the fund's annual revenue stream. The primary source of revenue is property tax, which in FY 2015 was above FY 2008 levels. **Table 5.8** provides a comparison of overall tax revenues.

**TABLE 5.8**  
**CITY OF DUBLIN**  
**COMPARISON OF TAX REVENUES**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Property Tax	\$22,229,039	\$29,437,951
Sales Tax	\$14,225,661	\$18,571,056
Other Taxes	\$3,504,501	\$6,159,654
Special Assessment Tax	—	\$1,264,204
Total tax revenue	\$39,959,201	\$55,432,865

The City's property tax revenue has increased by approximately \$7.2 million (32%) since FY 2008. This increase can be somewhat attributed to the housing market recovery after the Great Recession of 2008–2009. City of Dublin sales tax revenue has increased by approximately \$4.3 million (30%) since FY 2008.

### 5.2.5.2 *Debt*

**Table 5.9** summarizes the City's obligations, debt, and liabilities.

**TABLE 5.9**  
**CITY OF DUBLIN**  
**COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES**  
**FY 2008 AND FY 2015**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$0	\$0
Ratio of Direct Debt <sup>1</sup> to Net Assessed Valuation	0%	0%
Ratio of Combined Debt <sup>2</sup> to Net Assessed Valuation	2.95%	3.54%
Unfunded Pension Liability	—	\$7,837,436

<sup>1</sup> General bonded debt

<sup>2</sup> Direct and overlapping debt

Standard and Poor's suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilization of capital investment capacity. The City of Dublin reports no general bonded debt for FY 2008 or FY 2015. This zero debt is the result of the City's pay-as-you-go capital investment philosophy, relying on Impact Fees to fund capital

investments. The ratio of direct debt to net assessed valuation has remained at zero, while the ratio for combined debt has increased since 2008.

Similar to many cities, the City of Dublin has seen an increase in its reported unfunded pension liability over time, partially due to Governmental Accounting Standards Board (GASB) 68.<sup>14</sup> The City's unfunded pension liability<sup>15</sup> is approximately 10% of the general fund revenue for FY 2015 (i.e., 10% of current general fund revenue would be needed to fully fund the existing pension liability if addressed all in one year). The City reports that it has adopted a policy regarding funding its pension obligations, which requires the City to fully fund the City's Annual Retirement Contribution and make yearly lump sum payments towards the City's Unfunded Liability, when the City projects a budgeted surplus.

### **5.2.5.3 Reserves**

The City's reserve policy is to maintain an unassigned general fund balance, which includes the fund balance committed to economic uncertainties, in an amount of at least 2 months of budgeted operating expenditures with a goal of up to 4 months. For the FY 2015, the City's unassigned General Fund balance of \$21.3 million represents approximately 4 months' budgeted 2015–16 operating expenditures. Dublin's unassigned General Fund reserve levels have decreased by nearly half since FY 2008, from \$42.1 million to \$21.6 million. Dublin does not have a separate Economic Uncertainty Reserve Fund outside the General Fund reserve, within which the City has a \$6 million Economic Stability Reserve.

### **5.2.5.4 Fiscal Health Indicators**

Overall, the City of Dublin is in positive fiscal health, as shown by the General Fund fiscal indicators in **Table 5.10**.

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<sup>14</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports

<sup>15</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city's General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.

**TABLE 5.10**  
**CITY OF DUBLIN**  
**GENERAL FUND FISCAL INDICATORS**  
**FY 2008 AND FY 2015**

Indicator	FY 2008 Value	FY 2015 Value
Net Operating Deficit/Surplus (5-year projection)	<i>not available</i>	(\$966,639)
Liquidity Ratio <sup>1</sup>	5.43	6.36
Fund Balance as Percent of Expenditures <sup>2</sup>	129%	36%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures

The City finished FY 2015 with a General Fund surplus of approximately \$19.5 million (before \$1.4 million in transfers out to capital projects). By FY 2020–2021, the City of Dublin anticipates deficit spending in their annual operating general fund due to a decrease in development revenues as major projects are completed and the City gets closer to its build out.

For FY 2015, the City transferred \$1.3 million to other funds from the General Fund reserves. The unassigned General Fund Balance was \$21.6 million of the total \$76 million General Fund Balance of total General Fund expenditures of \$56.6 million for FY 2015. This meets the maximum four-month reserve goal for unassigned fund balances. The City has committed \$6 million for economic fluctuations and emergencies.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Standard and Poor's has assigned Dublin a bond rating of AA- (high quality).

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). The City's net position increased by \$22.5 million (3.7%) during FY 2015, with assets exceeding liabilities by \$628 million for FY 2015 and includes the GASB 68 change in accounting with new recognition of the net pension liability.

#### **5.2.5.5 Financial Reporting**

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end. The City of Dublin published its CAFR for FY 2015 in a timely manner (within 6 months of the fiscal year end). The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

## 5.2.6 Financial Determinations

### 5.2.6.1 *Financial Ability of Agency to Provide Services*

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Overall, the City of Dublin appears to have sufficient financial resources to continue providing services, as well as to accommodate infrastructure expansion, improvements, or replacement, as indicated below.

#### *Operating General Fund deficit and surplus trends for the past five years*

Since FY 2008, the City has reported a deficit trend in their annual operating General Fund. The City projects a deficit of nearly \$1 million for FY 2021.

#### *Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing*

For FY 2015, the City transferred \$1.4 million from the General Fund reserves to fund capital projects.

#### *Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year*

As of June 30, 2015 the unassigned general fund balance represented approximately 36% of operating expenditures. The City's fund balance as percent of expenditures meets the City's maximum four-month reserve goal for unassigned fund balances and exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

#### *Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year*

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 6.36, which indicates the City has the means available to cover its existing obligations in the short-term.

#### *Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end*

The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

## 5.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

### 5.2.7.1 *Online Availability of City Governance Information*

The City of Dublin website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City’s biennial budget; and the City’s annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

### 5.2.7.2 *Online Availability of City Planning Information*

The City of Dublin website provides public access to the City’s general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

### 5.2.7.3 *Public Involvement*

The City of Dublin website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 5.2.8 Service Review Determinations Summary

**Table 5.11** summarizes the service review determinations discussed throughout Section 5.2.

**TABLE 5.11  
CITY OF DUBLIN  
SUMMARY OF SERVICE REVIEW DETERMINATIONS**

Determination Area and Criteria	Determination
<i>Growth and population projections for the affected area</i>	
Projected growth and demographic changes in and around the agency’s service areas based on ABAG population projections	ABAG projects that the City’s population will grow at an annual rate of 1.6% to a population of 63,500 in 2030. The City of Dublin is also projected to experience a 2.4% annual growth rate in jobs between 2010 and 2030. Overall, the City’s planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	The City of Dublin does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI in the next five years.  The City consults with outside municipal service providers to ensure that the PDAs will receive adequate services at buildout.
<i>Location and characteristics of DUCs within or contiguous to the SOI</i>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household	No unincorporated islands have been identified in the City of Dublin. There are no identified DUCs within or contiguous to the SOI for the City of Dublin.

Determination Area and Criteria	Determination
income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	
<b><i>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</i></b>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	<p>The City of Dublin reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.</p> <p>When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.</p>
Consistency with capital improvement plans	The City is currently undertaking a Total Cost of Ownership study which includes a facility and infrastructure assessment.
Consistency with local and regional land use plans and policies	The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City’s General Plan. The City’s 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.
<b><i>Financial ability of the agency to provide services</i></b>	
Operating General Fund deficit and surplus trends for the past five years	Since FY 2008, the City has reported a deficit trend in their annual operating General Fund.
Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing	For FY 2015, the City transferred \$1.4 million from the General Fund reserves to fund capital projects.
Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year	At approximately 36% of operating expenditures, the City’s fund balance as percent of expenditures meets the City’s maximum four-month reserve goal for unassigned fund balances and exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.
Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year	The City reported a liquidity ratio of 6.36, which indicates the City has the means available to cover its existing obligations in the short-term.
Timeliness and accuracy of financial reporting by ensuring that the State Controller’s Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end	The City published its CAFR approximately 6 months after fiscal year end, which is considered timely by the GASB. The CAFR was audited by an independent certified public accountant and received a clean opinion.



Determination Area and Criteria	Determination
<b><i>Status of and opportunities for shared facilities</i></b>	
Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas	The City provides an array of municipal services, many of which are provided via contract with Alameda County or private vendors. The City does not share facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency’s website	The City of Dublin website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City’s biennial budget; and the City’s annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency’s website	The City of Dublin website provides public access to the City’s general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.
Time and place for public to provide input prior to decision being made	The City of Dublin website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 5.3 Sphere of Influence Review and Determinations

### 5.3.1 Sphere of Influence Recommendation

The SOI for the City of Dublin is mostly coterminous with the municipal boundary, extending slightly to the west, as shown in Figure 5.1. The City is surrounded by the incorporated cities of Livermore and Pleasanton in Alameda County, and San Ramon in Contra Costa County, as well as unincorporated Alameda County.

This report recommends that Alameda LAFCo maintain and reaffirm the existing SOI for the City of Dublin.

### 5.3.2 Sphere of Influence Determinations for the City of Dublin

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 5.12**. These determinations are made as part of the review of the existing SOI and are based on the information in this City of Dublin MSR profile.

**TABLE 5.12**  
**CITY OF DUBLIN**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	The City of Dublin plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including residential, commercial, industrial, and open space. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (2015).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for the City of Dublin. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
<i>The present and probably future capacity of public facilities and services</i>	The present capacity of public facilities in the City of Dublin appears adequate. The City of Dublin anticipates it will continue to have adequate capacity during the next five years.
<i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i>	All communities of interest within the City's municipal boundary are included within the SOI. Alameda LAFCo has not identified specific social or economic communities of interest relevant to the City of Dublin.

Criteria	Determination
<p><i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i></p>	<p>The City of Dublin does not provide water or structural fire protection facilities and services within its SOI. Those facilities and services are provided under contract with Dublin San Ramon Services District and Alameda County, respectively. The City does provide sewer services. There are no DUCs within or contiguous to the SOI for the City and therefore no present or probable need for these facilities and services for DUCs.</p>



# Chapter 6

## City of Emeryville

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### 6.1 Agency Overview



The City of Emeryville, incorporated in 1896, covers an area of 1.2 square miles. The 2010 U.S. Census Bureau data shows the population as 10,808. The California Department of Finance estimates the January 1, 2016 population as 11,721. The City has a population density of approximately 9,768 persons per square mile.

The City of Emeryville is bordered by the incorporated cities of Berkeley and Oakland and by the San Francisco Bay. Land uses in the City include a mix of residential, commercial, industrial, marina, mixed use, parks and open space, and public. The Sphere of Influence (SOI) for the City of Emeryville is coterminous with the municipal boundary, as shown in **Figure 6.1**.

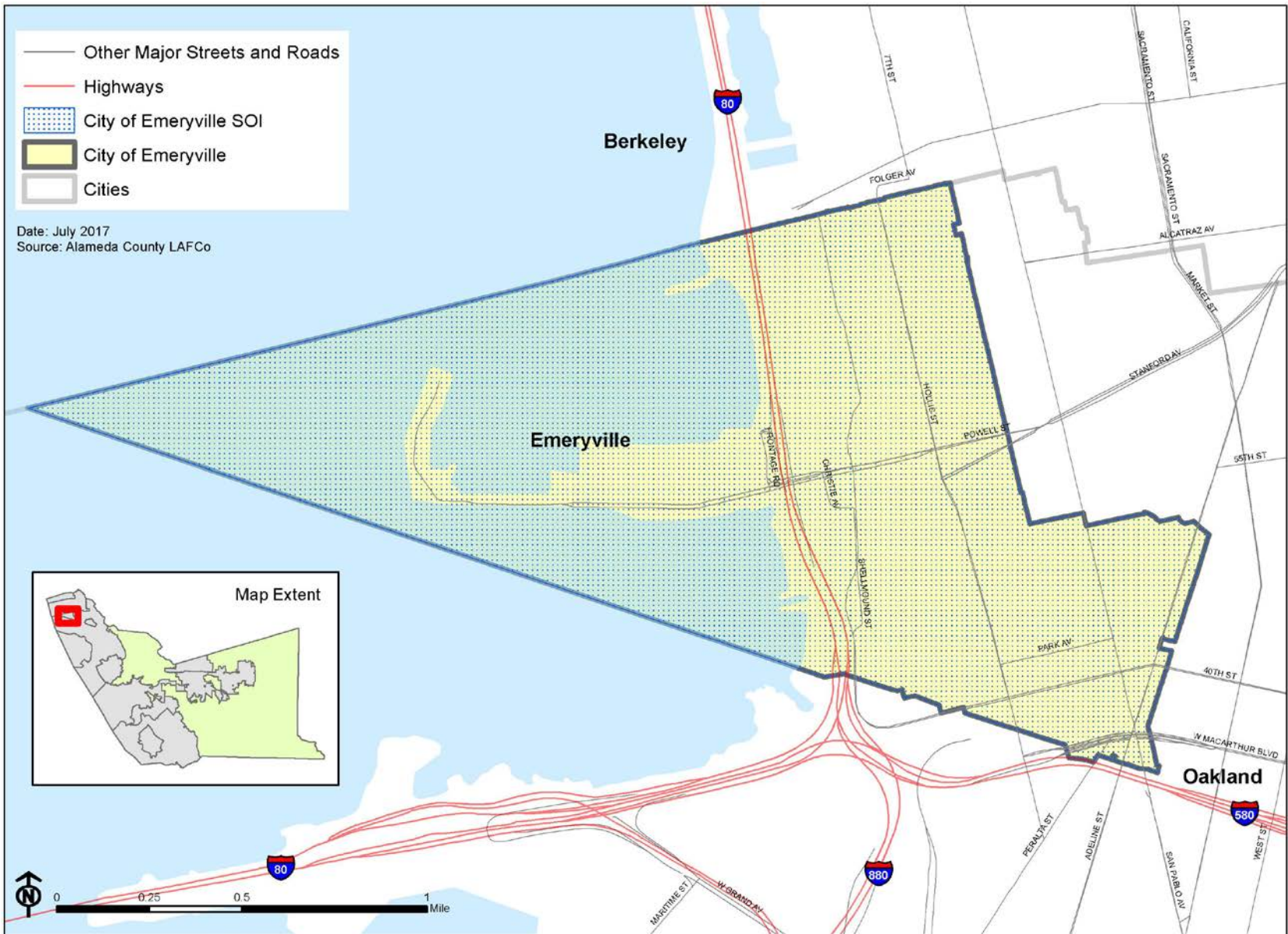
The municipal services considered in this review that are provided by the City of Emeryville include: law enforcement, lighting, parks and recreation, planning/building, and streets. Other services, such as fire and emergency response, and solid waste, are provided under contract with other service providers.

#### 6.1.1 City Staffing

Total City staffing for fiscal year (FY) 2015 included 154.2 full-time equivalent (FTE) employees.<sup>1</sup> **Table 6.1** shows the four service areas with the highest staffing levels.

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<sup>1</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 6.1. City of Emeryville Municipal Boundary and Sphere of Influence**

**TABLE 6.1  
CITY OF EMERYVILLE  
HIGHEST STAFFING LEVELS BY SERVICE AREA**

Service Area	FY 2015 FTE
Police	54.0
Child Development Center	24.8
Public Works	17.0
Youth and Adult Services	16.0

Source: City of Emeryville Comprehensive Annual Financial Report 2015.

Similar to other cities in Alameda County, the police function had the highest staffing level in the City of Emeryville, with 54.0 FTE employees.

### 6.1.2 Form of Government

The City of Emeryville became a charter city in November 2014 when Measure U was approved. The City continues to operate under the council-manager form of government. The City Council consists of five members and includes the Mayor, who is selected from among the City Council; members serve four-year terms.

### 6.1.3 Joint Powers Authorities

The City of Emeryville is a member of several Joint Powers Authorities (JPAs), as listed in **Table 6.2**.

**TABLE 6.2  
CITY OF EMERYVILLE  
JOINT POWERS AUTHORITY MEMBERSHIP**

Joint Powers Authority	Service
Alameda County Transportation Commission	governed by a 22-member commission comprised of elected officials from each of the 14 cities in Alameda County, five members of the Alameda County Board of Supervisors and elected representatives from AC Transit and BART.
Alameda County Waste Management Authority	Solid waste, recycling, source reduction, reuse
East Bay Regional Communication System Authority	Emergency/public safety radio system
East Bay Community Energy Authority	East Bay Community Energy is a joint powers authority that aggregates electricity demand within participating Alameda County jurisdictions in order to procure more sustainable electricity for its customers.
Association of Bay Area Governments	Provides wide variety of regional planning services, energy procurement, pooled liability systems, financing and other government services

Source: City of Emeryville

### 6.1.4 Awards and Recognition

**Table 6.3** lists the awards the City of Emeryville has reported receiving since the 2008 Municipal Service Review (MSR) update.

**TABLE 6.3  
CITY OF EMERYVILLE  
AWARDS**

Award	Issuer	Year(s) Received
Certificate of Achievement for Excellence in Financial Reporting	Government Finance Officers Association	1995 – 2015
Bicycle Friendly City	League of American Bicyclists	2012 – 2015
Focused Issue Planning Award for Pedestrian and Bicycle Plan	American Planning Association, California Chapter	2013
eCity Award	Google	2014

Source: City of Emeryville



## 6.2 Service Review Determinations

The purpose of this MSR is described in Chapter 1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR Update, the following analysis informs the determinations which have been prepared for the City of Emeryville.

### 6.2.1 Growth and Population Projections

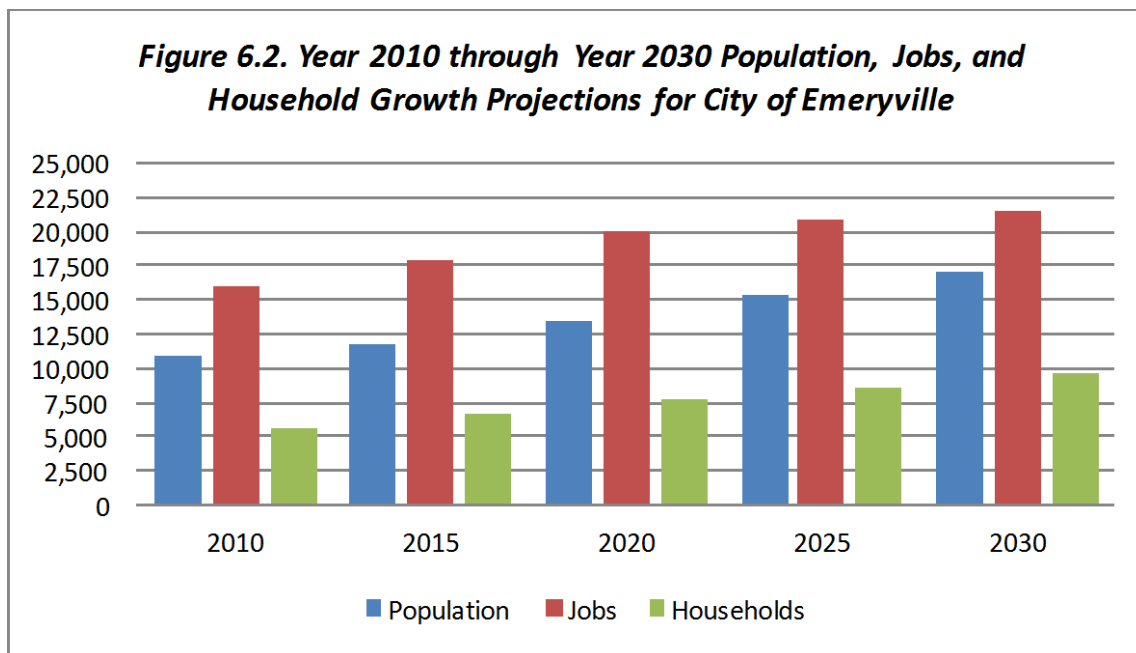
According to the 2016 California Department of Finance estimates, the City of Emeryville serves 11,721 residents within its municipal boundary.

#### 6.2.1.1 *Projected Growth and Demographic Changes*

As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>2</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes 30-year growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for the City of Emeryville are depicted in **Figure 6.2**.

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<sup>2</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.



ABAG projects that the City’s population will grow at an annual rate of 2.6% to a population of 17,100 in 2030. The City of Emeryville is also projected to experience a 1.5% annual growth rate in jobs between 2010 and 2030. Overall, the City’s planning is expected to accommodate the growth projected by ABAG.

**Jobs and Housing**

According to ABAG Bay Area Census data<sup>3</sup> for 2010, the City of Emeryville has 5,722 employed residents. The ABAG and MTC jobs forecast estimates 16,070 jobs in the City, with approximately 2.8 jobs for every employed resident. ABAG estimates that the City of Emeryville has 6,646 housing units, which results in a job/housing balance of 2.4. The number of renter-occupied units in the City is greater than the number of owner-occupied housing units (**Table 6.4**), indicating that the rental household rate exceeds the rate of homeownership.

**TABLE 6.4  
CITY OF EMERYVILLE  
HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	2,013
Renter-occupied housing units	3,681
Other <sup>1</sup>	952
Total existing housing units	6,646

<sup>3</sup> ABAG Bay Area Census data are derived from US Census data specific to the Bay Area.

Housing Statistic	Number
Regional Housing Need Allocation by Income Category 2014-2022	
Above moderate	752
Moderate	259
Low	211
Very low	276
<i>Total Regional Housing Need Allocation</i>	<i>1,498</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their housing element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>4</sup> The City of Emeryville was assigned an RHNA of 1,498 units, as shown in Table 6.4.

The City adopted its General Plan in 2009 and its Housing Element in November 2014. The City has identified one potential PDA for infill development, including housing. The City’s 2015–2023 Housing Element identifies adequate sites, anticipated to yield 3,468 units, which are appropriately zoned to address the affordable housing demand and anticipated to meet and exceed its 2014-2022 assigned RHNA. The City’s Housing Element, has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

***Planning for an Aging Population***

The number of adults age 50 and older in Alameda County is projected to increase approximately 60% by 2030, growing from 449,754 in 2010 to 701,000, representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>5</sup>

The City of Emeryville’s General Plan, Parks and Recreation Strategic Plan, and Housing Element include plans to provide services to an aging population. The City of Emeryville Senior Center provides the following programs for its 50-plus population:

- Information and referral
- Physical fitness classes
- Health services
- 94608 zip code area shuttle
- Meals on wheels
- Daily hot lunches

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<sup>4</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>5</sup> Year 2010–2030 ABAG projections.

- Taxi ride reimbursements
- Day and overnight trips
- Discount BART tickets
- Discount East Bay Paratransit tickets
- Music, theater and sporting events
- Wi-fi and computer lab
- Health and enrichment classes
- Tax assistance
- Movies
- Billiards room
- Arts and crafts classes

### **6.2.1.2      *Anticipated Growth Patterns***

The City of Emeryville reported approximately 150.3 entitled residential acres and approximately 12.6 undeveloped entitled residential acres in FY 2015. Mixed Use comprises the majority of vacant residential land (12.3 acres); the City has a small inventory (0.4 acre) of Medium-High Density residential land.

There are numerous projects identified as part of the FY17–FY22 projected growth for the City and include 1,463 dwelling units and 400,730 commercial square feet. These projects are either approved or in the approval process.

PDA, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. One PDA has been identified for the City of Emeryville in Plan Bay Area. The Mixed-use Core PDA, characterized as a future city center, is within the municipal boundary east of Interstate 80 and west of San Pablo Avenue. The Mixed-Use Core PDA consists of 5,000 planned housing units, mixed land uses, updated industrial uses, expansion of technology uses, and parks with future development.

Priority Conservation Areas (PCAs), which are areas of regionally significant open space facing development pressure, also help form the implementing framework for Plan Bay Area. The City of Emeryville is urbanized and has not identified any Priority Conservation Areas.

The City of Emeryville does not anticipate that current or projected growth patterns will expand beyond its existing municipal and SOI boundaries, although the City is likely to face increasing development pressures. Furthermore, the City is totally surrounded by other cities and the San Francisco Bay.

## **6.2.2      **Boundaries, Islands, and Disadvantaged Unincorporated Communities****

The City of Emeryville’s SOI is conterminous with its municipal boundary, with both extending into the San Francisco Bay (see Figure 6.1). The City does not anticipate any changes to its SOI

and does not provide services to any areas outside its municipal boundary or SOI. No unincorporated islands have been identified in the City of Emeryville.

### 6.2.2.1 *Disadvantaged Unincorporated Communities*

With the exception of the San Francisco Bay, the City of Emeryville is surrounded by incorporated cities (Berkeley and Oakland). There are no identified disadvantaged unincorporated communities (DUCs) within or contiguous to the SOI for the City of Emeryville and therefore, no DUCs are relevant to this analysis.

### 6.2.3 **City Services Overview**

As noted in Section 6.1 and as shown in **Table 6.5**, municipal services for the City of Emeryville are provided by City staff and under contract with other service providers. Municipal services considered in this update are discussed individually below. Stormwater, water, and wastewater services will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

**TABLE 6.5  
CITY OF EMERYVILLE  
MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	—	City of Piedmont
Fire and Emergency Response		Alameda County Fire Department
Law Enforcement	City of Emeryville	—
Library	—	City of Oakland
Lighting	City of Emeryville	—
Parks and Recreation	City of Emeryville	—
Planning/Building	City of Emeryville	—
Solid Waste	—	Waste Management
Stormwater	City of Emeryville	Alameda County Flood Control Zone 12
Streets	City of Emeryville	—
Utilities and Broadband:		
Electricity	—	Pacific Gas & Electric
Gas	—	Pacific Gas & Electric
Broadband	—	Comcast, AT&T, Sonic.net
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Mosquito Abatement District
Water	—	East Bay Municipal Utility District
Wastewater	—	East Bay Municipal Utility District

Source: City of Emeryville

In the years since the 2008 MSR update, the City has contracted with Alameda County for fire protection services and begun sharing library facilities with the City of Oakland. The City of Emeryville has not started providing any new municipal services or discontinued any services since the 2008 MSR update.

The City of Emeryville reports the following opportunities and challenges related to its provision of municipal services:

**Opportunities**

- Growth of recreation program
- Construction of affordable housing
- Installation of light-emitting diode streetlights

**Challenges**

- Increased Public Employment Retirement System costs
- Staff retention and recruitment
- Revenue projection

A summary of the City's municipal service level statistics for FY 2015 is provided in Table A.5 of **Attachment A**.

**6.2.3.1**      *Animal Control, Vector Control*

The City of Emeryville contracts with the City of Piedmont for the provision of animal control services. City expenditures for animal control services are included in the law enforcement expenditures.

For 2015, 5.8 dog licenses were issued per 1,000 population, for a total of 68 licenses. The number of animals handled in 2015 was 124, down from 130 in 2008. There were 314 calls for service in 2015, up from 216 in 2008.

Throughout Alameda County, and including the City of Emeryville, vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, including the City of Emeryville.

### **6.2.3.2 Fire and Emergency Response**

The City contracts with Alameda County Fire Department (ACFD) for first-responder paramedic services. The ACFD staffs two stations that serve the City of Emeryville. City expenditures for fire and emergency response were \$6 million for FY 2015.

There were 2,227 calls for fire and emergency response service in 2015. ACFD reports that average fire and emergency response times achieved over 90% compliance for 2015. Average response time was 4.63 minutes in 2015 and 5 minutes in 2008. The National Fire Protection Association (NFPA) standard requires fire and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>6</sup>

The City reports that one of the two ACFD stations in the City has been recently renovated and the second is planned for renovation within the next two years.

### **6.2.3.3 Law Enforcement**

The City of Emeryville provides law enforcement and dispatch services. City expenditures for law enforcement were \$10.2 million for FY 2015. Public safety expenditures, which includes law enforcement, account for 55% of General Fund expenditures.

The City of Emeryville has 3.2 FTE sworn personnel per 1,000 population, which represents a decrease from 5.1 FTE in 2008. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>7</sup> There was a drop in crimes per sworn FTE from 3.3 in 2008 to 1.7 in 2015. The property crime clearance rate (a measure of crimes solved) was up to 30% in 2015 from 17% in 2008, while the violent crime clearance rate was down to 12% in 2015 from 21% in 2008.<sup>8</sup>

The City has one police station and reports that the station was recently renovated.

### **6.2.3.4 Library**

The City of Emeryville does not provide library services with the City. Library services are provided by the City of Oakland. Services are available at nearby library locations in Oakland. Library expenditures paid to the City of Oakland were \$10.24 per capita (\$120,000) for FY 2015.

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<sup>6</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

<sup>7</sup> National Sources of Law Enforcement Employment Data. April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

<sup>8</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

Emeryville residents typically use the nearby Golden Gate branch of the Oakland public library system, located at 5606 San Pablo Avenue. Average circulation per capita was 2.4 in 2015 and 1.1 public access computer was provided per 1,000 population.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>9</sup> Select statistical data for the most recent year (FY 2014/2015) is provided in this MSR Update for informational purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY2014/2015.

### **6.2.3.5      *Lighting and Streets***

Lighting (street and traffic) is provided and maintained by the City of Emeryville. City expenditures for light and signal maintenance were \$24,167 per street mile for FY 2008. Total FY 2015 expenditures were \$340,460.

The City of Emeryville provides and maintains 20 street miles and approximately 4.6 Class 1 and 2 bike lane miles. FY 2015 expenditures for streets were not provided.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in the City of Emeryville was 76 (good) in 2009.<sup>10</sup> Pavement in the good (70-79) range requires mostly preventive maintenance and shows only low levels of distress. The PCI increased to 78 in 2015, which remains above the target PCI of 75 MTC has established.<sup>11</sup>

### **6.2.3.6      *Parks and Recreation***

The City is the primary service provider for parks and recreation, including programming for youth and seniors, as well as child care. FY 2015 expenditures for parks were \$4,401 per acre for major maintenance. City expenditures for recreation facilities (including trails) were \$92,938 for major maintenance.

The City provides and maintains 3.78 park acres per 1,000 residents (approximately 44 acres total), 1 recreation center, and 2.49 miles of recreation trails.

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<sup>9</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lids/librarystats.html>

<sup>10</sup> 2008 data were not available

<sup>11</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>



The City reports that its park facilities are in good condition. The Davenport Mini Park and the Shorebird Park Boardwalk are planned for renovation. The City does not coordinate with the East Bay Regional Park District to fund park improvements.

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. The City of Emeryville's level of service standard is 3 acres per 1,000 new residents.

### ***6.2.3.7 Planning and Building***

The City of Emeryville Community Development Department provides planning and building services. FY 2015 expenditures were \$165,495.

The City issued 92 residential and 435 commercial building permits in 2015. The adopted planning documents reported by the City are listed in **Attachment B**.

### ***6.2.3.8 Solid Waste***

Solid waste services are provided to the City of Emeryville by Waste Management. Waste Management transports solid waste collected from the City of Emeryville to the Altamont Landfill and Resource Recovery Facility in Livermore. The City does not incur costs for solid waste. The City has an agreement under the Waste Management Franchise Agreement that includes the collection of solid waste in the City and for which the customers pay.

The City reported 0.69 ton of waste disposed per capita for FY 2015, and a total diversion rate of 54.43%. The FY 2015 per resident disposal rate was 3.78 pounds/resident/day.

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

### ***6.2.3.9 Utilities and Broadband***

Pacific Gas & Electric provides gas and electricity services to the City of Emeryville. The City coordinates with Pacific Gas & Electric regarding the location and condition of gas pipelines. Emeryville is a member of the recently formed East Bay Community Energy Authority.

The City does not provide public broadband service. XFINITY from Comcast, AT&T U-verse, and Sonic.net each offer internet access to the city. These providers use a variety of wired technologies including cable and DSL. The City of Emeryville did not indicate concerns about the availability or reliability of high-speed internet services. The California Public Utility Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report card for 2013. The City of Emeryville received a grade of C, which indicates that internet service providers meet the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.<sup>12</sup>

The City did not indicate concerns about the ability of utility service or broadband providers to serve its existing or growing population.

## **6.2.4 City Services Determinations**

### ***6.2.4.1 Present and Planned Capacity of Facilities, Adequacy of Public Service***

As noted above, there are no DUCs within or contiguous to the City's SOI.

ACFD reports that average fire and emergency response times achieved compliance with the NFPA standard for 2015.

The City of Emeryville reports that it adequately serves all areas within its municipal and SOI boundaries and anticipates it will continue to do so in the foreseeable future.

#### ***Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs***

When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

#### ***Consistency with Capital Improvement Plans***

The Capital Improvement Program (CIP) sets priorities for building the City's infrastructure such as parks, sewer/storm drain improvements, pedestrian/bicycle network, traffic/street improvements, affordable housing, and community facilities. Historically, most CIP projects have been funded through redevelopment revenue and bond financing with some funds also coming from the City's General Fund or state/regional/federal grants. However, due to the dissolution of redevelopment effective February 1, 2012, the City has been identifying other funding sources for capital improvements.

The City's capital improvement plan does not include a facility and infrastructure assessment. The top three capital projects are pedestrian-bike bridges over the Interstate 80 freeway exchange and nearby railroads, a bus transit center at the Emeryville Amtrak station, and a greenway transit corridor.

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<sup>12</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www. bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).

### *Consistency with Local and Regional Land Use Plans and Policies*

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

#### **6.2.4.2**      *Status and Opportunities for Shared Facilities*

##### *Current Shared Services*

The City provides an array of municipal services, with the exception of solid waste, utilities, vector control, wastewater, and water services. These services are provided via contract with Alameda County, public vendors, or private vendors. The City shares library facilities with the City of Oakland, which provides library services for Emeryville residents. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

##### *Duplication of Existing or Planned Facilities*

This review did not identify any duplication of existing or planned facilities.

##### *Availability of Excess Capacity*

No excess service or facility capacity was identified as part of this review.

### **6.2.5**      **Financial Information**

This section provides an overview of the City's financial health and provides a context for assessing the City's financial ability to provide services.

Key financial FY 2015 information for City of Emeryville municipal operations is provided in the discussion below. The information in this section has been obtained from the audited 2015 Comprehensive Annual Financial Report (CAFR) and from City staff. For comparative purposes, FY 2008 financial information is also included where available.

#### **6.2.5.1**      *Revenues and Expenditures*

A comparison of the revenues and expenditures for the City's governmental and proprietary funds is shown in **Table 6.6**.

**TABLE 6.6**  
**CITY OF EMERYVILLE**  
**COMPARISON OF REVENUE AND EXPENDITURES**  
**FY 2008 AND FY 2015**

	FY 2008	FY 2015
Total Revenue	\$88,553,451	\$74,484,199
Total Expenditures	\$66,162,715	\$44,677,311
<b>Net Surplus/(Deficit)</b>	<b>\$22,390,736</b>	<b>\$29,806,888</b>

In FY 2015, total expenditures for the City of Emeryville exceeded \$44.6 million, which represents a decrease of approximately \$21.5 million from FY 2008. This decrease is primarily due to the change in status of the redevelopment program which is no longer a component unit of the City financial statements.

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and expenditures for the General Fund are shown in **Table 6.7**. General Fund expenditures constituted approximately 67% (\$30 million) of the City's overall total expenditures.

**TABLE 6.7**  
**CITY OF EMERYVILLE**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Taxes	\$21,547,451	\$29,752,519
Licenses and permits	\$2,325,659	\$3,198,155
Intergovernmental	\$801,023	\$1,416,580
Charges for Services	\$1,507,423	\$859,274
Miscellaneous	\$341,145	\$637,719
Use of Money and Property	\$1,892,279	\$430,168
Rents	\$286,651	\$205,524
Contributions	\$914	\$87,528
<b>Total Revenue</b>	<b>\$28,312,545</b>	<b>\$36,587,467</b>

Type	FY 2008	FY 2015
Expenditures by Program		
Police	\$8,469,698	\$10,200,762
General Government and City Administration	\$7,583,427	\$7,389,288
Fire	\$5,374,566	\$6,072,466
Public Works	\$2,653,385	\$2,934,042
Youth Services	—	\$963,735
Adult Services	—	\$677,616
Economic Development	\$911,688	\$651,760
Information Technology	—	\$597,598
Community Services	\$263,874	\$525,778
Recreation	\$964,294	—
Senior Center	\$514,210	—
Capital Outlay	\$76,425	—
<b>Total Expenditures</b>	<b>\$26,811,568</b>	<b>\$30,013,045</b>
<b>Net Surplus/(Deficit)</b>	<b>\$1,500,977</b>	<b>\$6,574,422</b>

Total General Fund expenditures have increased by approximately \$3.2 million (12%) since FY 2008. Public safety services comprise more than half (\$16.2 million) of the City's General Fund annual expenditure stream.

The major revenues to the City's General Fund are taxes (property, sales, business licenses, utility users, and transient occupancy), which comprise approximately 81% of the fund's annual revenue stream. The primary source of revenue is sales tax, which in FY 2015 was above FY 2008 levels. **Table 6.8** provides a comparison of overall tax revenues.

**TABLE 6.8**  
**CITY OF EMERYVILLE**  
**COMPARISON OF TAX REVENUES**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Sales Tax	\$6,473,304	\$8,233,456
Property Tax	\$1,624,465	\$6,277,517
Utility Users Tax	\$2,471,543	\$2,870,024
Business License Tax	\$5,724,761	\$7,668,497
Transient Occupancy Tax	\$4,247,032	\$5,911,821
Total tax revenue	\$20,541,105	\$30,961,315

City of Emeryville sales tax revenue has increased by approximately \$1.7 million (27%) since FY 2008. The City's property tax revenue has increased substantially by approximately \$4.6 million (286%) since FY 2008. This increase can be somewhat attributed to the housing market recovery after the Great Recession of 2008–2009.

### 6.2.5.2 Debt

**Table 6.9** summarizes the City's obligations, debt, and liabilities.

**TABLE 6.9**  
**CITY OF EMERYVILLE**  
**COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES**  
**FY 2008 AND FY 2015**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$185,640,000	\$3,912,500
Ratio of Direct Debt <sup>1</sup> to Net Assessed Valuation	0.96%	0.09%
Ratio of Combined Debt <sup>2</sup> to Net Assessed Valuation	5.31%	5.73%
Unfunded Pension Liability	\$6,543,301	\$25,768,030

<sup>1</sup> General bonded debt

<sup>2</sup> Direct and overlapping debt

Standard and Poor's suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilized capital investment capacity. The City of Emeryville has substantially lowered (by 98%) its general bonded debt since 2008 to approximately \$334 per capita. The ratio of direct debt to net assessed valuation has decreased, while the ratio for combined debt has increased since 2008. Emeryville adopted a policy to allocate residual property tax increments to funds for city capital projects (75%), affordable housing (20%) and economic development (5%).

Similar to many cities, the City of Emeryville has seen an increase in its reported unfunded pension liability since 2008, partially due to Governmental Accounting Standards Board (GASB) 68.<sup>13</sup> The City's unfunded pension liability<sup>14</sup> is approximately 70% of the general fund revenue for FY 2015 (i.e., 70% of current general fund revenue would be needed to fully fund the existing pension liability if addressed all in one year). The City did not report a policy regarding funding its pension obligations.

### 6.2.5.3 Reserves

The City's reserve policy is to maintain an unassigned general fund balance, which includes the fund balance committed to the economic uncertainty fund, in an amount of at least 25% of budgeted operating expenditures with a goal of up to 50%. For the FY 2015, the unassigned General Fund balance of \$18.7 million represents approximately 58% of the \$32.1 million

<sup>13</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports

<sup>14</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city's General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.

budgeted 2015–16 operating expenditures, and with the economic uncertainty fund balance of \$1.9 million, the total reserve represents approximately 64% of budgeted operating expenditures for 2015–16, exceeding the 50% goal. Emeryville’s unassigned General Fund reserve levels have nearly doubled since FY 2008 (**Table 6.10**).

**TABLE 6.10**  
CITY OF EMERYVILLE  
COMPARISON OF RESERVES  
FY 2008 AND FY 2015

	FY 2008	FY 2015
Unassigned General Fund Reserve Level	\$9,831,543	\$18,719,632
Economic Uncertainty Reserve Fund <sup>1</sup>	\$4,618,213	\$1,894,755

<sup>1</sup> Separate from General Fund Reserve

#### 6.2.5.4 *Fiscal Health Indicators*

Overall, the City of Emeryville appears to be in fairly positive fiscal health, as shown by the General Fund fiscal indicators in **Table 6.11**.

**TABLE 6.11**  
CITY OF EMERYVILLE  
GENERAL FUND FISCAL INDICATORS  
FY 2008 AND FY 2015

Indicator	FY 2008 Value	FY 2015 Value
Net Operating Deficit/Surplus	(\$1,111,513)	(\$4,274,204)
Liquidity Ratio <sup>1</sup>	3.4	7.0
Fund Balance as Percent of Expenditures <sup>2</sup>	42%	113%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures

Since FY 2008, the City has reported a deficit in their annual operating General Fund. The five-year average increased from a surplus of \$226,826 in FY 2008 to \$2,381,922 in FY 2015.

The unassigned General Fund Balance was \$18.7 million of the total \$33.9 million General Fund Balance or 58% of total General Fund budgeted expenditures of \$32.1 million for FY 2015. This exceeds the 25% to 50% reserve goal for unassigned fund balances. The City has committed over \$3.2 million for economic fluctuations and emergencies.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Standard and Poor’s has assigned Emeryville a bond rating of A+ (upper medium grade) to AA (high quality).

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). In the case of the City of Emeryville, assets exceeded liabilities by \$220.5 million for FY 2015. At the end of FY 2015, the City of Emeryville's governmental net position decreased \$4.7 million (in part due to GASB 68), which differs from the general trend of an increase in net position since 2008.

The largest portion of the City of Emeryville's net position is \$78.9 million in net investment in capital assets. The City's unrestricted net position totaled \$72 million. Net position of \$69.6 million are restricted for various programs including community development, public safety, public works, capital projects, debt service, small business incentive, and community services. The City of Emeryville uses these assets to provide services to citizens; consequently, these assets are not available for future spending.

### **6.2.5.5**      *Financial Reporting*

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end. The City of Emeryville published its CAFR for FY 2015 in a timely manner (within 6 months of the fiscal year end). The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

### **6.2.6**      **Financial Determinations**

#### **6.2.6.1**      *Financial Ability of Agency to Provide Services*

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Overall, the City of Emeryville appears to have sufficient financial resources to continue providing services, as well as to accommodate infrastructure expansion, improvements, or replacement, as indicated below.

#### *Operating General Fund deficit and surplus trends for the past five years*

The City of Emeryville reports a five-year trend of surpluses in their annual operating general fund.

#### *Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing*

For FY 2015, there were no transfers from the General Fund reserves to fund capital projects.



***Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year***

As of June 30, 2015 the unassigned general fund balance represented approximately 113% of operating expenditures. The City's fund balance as percent of expenditures exceeds the City's 25% reserve goal for unassigned fund balances and exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

***Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year***

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 7, which indicates the City has the means available to cover its existing obligations in the short-term.

***Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end***

The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

**6.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

***6.2.7.1 Online Availability of City Governance Information***

The City of Emeryville website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

***6.2.7.2 Online Availability of City Planning Information***

The City of Emeryville website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

***6.2.7.3 Public Involvement***

The City of Emeryville website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 6.2.8 Service Review Determinations Summary

**Table 6.12** summarizes the service review determinations discussed throughout Section 6.2.

**TABLE 6.12**  
**CITY OF EMERYVILLE**  
**SUMMARY OF SERVICE REVIEW DETERMINATIONS**

Determination Area and Criteria	Determination
<i><b>Growth and population projections for the affected area</b></i>	
Projected growth and demographic changes in and around the agency’s service areas based on ABAG population projections	ABAG projects that the City’s population will grow at an annual rate of 2.6% to a population of 17,100 in 2030. The City of Emeryville is also projected to experience a 1.5% annual growth rate in jobs between 2010 and 2030. Overall, the City’s planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	The City of Emeryville does not anticipate that current or projected growth patterns will expand beyond its existing municipal and SOI boundaries in the next five years, although the City is likely to face increasing development pressures.
<i><b>Location and characteristics of Disadvantaged Unincorporated Communities within or contiguous to the SOI</b></i>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	There are no identified DUCs within or contiguous to the SOI for the City of Emeryville.
<i><b>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</b></i>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	<p>The City of Emeryville reports that it adequately serves all areas within its municipal and SOI boundaries and anticipates it will continue to do so in the foreseeable future.</p> <p>The City’s capital improvement plan does not include a facility and infrastructure assessment. The top three capital projects are pedestrian-bike bridges over the Interstate 80 freeway exchange and nearby railroads, a bus transit center at the Emeryville Amtrak station, and a greenway transit corridor.</p> <p>When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.</p>
Consistency with capital improvement plans	The Capital Improvement Program (CIP) sets priorities for building the City’s infrastructure such as parks, sewer/storm drain improvements, pedestrian/bicycle network, traffic/street improvements, affordable housing, and community facilities. Historically, most CIP projects have been funded through redevelopment revenue and bond financing with some funds also coming from the City’s General Fund or state/regional/federal grants. However, due to the dissolution of redevelopment effective February 1, 2012,

Determination Area and Criteria	Determination
	the City has been identifying other funding sources for capital improvements.
Consistency with local and regional land use plans and policies	The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City’s General Plan. The City’s 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.
<b><i>Financial ability of the agency to provide services</i></b>	
Operating General Fund deficit and surplus trends for the past five years	The City of Emeryville reports a five-year trend of surpluses in their annual operating general fund.
Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing	For FY 2015, there were no transfers from the General Fund reserves to fund capital projects.
Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year	As of June 30, 2015 the unassigned general fund balance represented approximately 113% of operating expenditures. The City’s fund balance as percent of expenditures exceeds the City’s 25% reserve goal for unassigned fund balances and exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.
Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year	The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 7, which indicates the City has the means available to cover its existing obligations in the short-term.
Timeliness and accuracy of financial reporting by ensuring that the State Controller’s Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end	The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.
<b><i>Status of and opportunities for shared facilities</i></b>	
Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas	The City provides an array of municipal services, with the exception of solid waste, utilities, vector control, wastewater, and water services. These services are provided via contract with Alameda County or private vendors. The City contracts with Alameda County Fire Department for fire services. The City shares library facilities with the City of Oakland, which provides library services for Emeryville residents. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency’s	The City of Emeryville website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the

Determination Area and Criteria	Determination
website	City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency's website	The City of Emeryville website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.
Time and place for public to provide input prior to decision being made	The City of Emeryville website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 6.3 Sphere of Influence Review and Determinations

### 6.3.1 Sphere of Influence Recommendation

The SOI for the City of Emeryville is coterminous with the municipal boundary, as shown in Figure 6.1. The City is bordered by the cities of Berkeley and Oakland and by the San Francisco Bay. No further outward growth is possible.

This report recommends that Alameda LAFCo maintain and reaffirm the existing SOI for the City of Emeryville.

### 6.3.2 Sphere of Influence Determinations for the City of Emeryville

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 6.13**. These determinations are made as part of the review of the existing SOI and are based on the information in this City of Emeryville MSR profile.

**TABLE 6.13**  
**CITY OF EMERYVILLE**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	The City of Emeryville plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including residential, commercial, industrial, marina, mixed use, parks and open space, and public. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (2009).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for the City of Emeryville. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
<i>The present and probable future capacity of public facilities and services</i>	The present capacity of public facilities in the City of Emeryville appears adequate. The City of Emeryville anticipates it will continue to have adequate capacity during the next five years.
<i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i>	All communities of interest within the City's municipal boundary are included within the SOI. Alameda LAFCo has not identified specific social or economic communities of interest relevant to the City of Emeryville.

Criteria	Determination
<p><i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i></p>	<p>The City of Emeryville does not provide water structural fire protection facilities and services within its SOI. Those facilities and services are provided under contract with East Bay Municipal Utility District and Alameda County, respectively. The City does provide sewer services. There are no DUCs within or contiguous to the SOI for the City and therefore no present or probable need for these facilities and services for DUCs.</p>

# Chapter 7

## City of Fremont

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### 7.1 Agency Overview



The City of Fremont, incorporated in 1956, covers an area of 92 square miles. The most recent U.S. Census Bureau data shows the population as 214,809. The California Department of Finance estimates the January 1, 2016 population as 229,324. The City has a population density of approximately 2,493 persons per square mile, which is the lowest of the 14 cities in Alameda County.

The City of Fremont is surrounded by unincorporated Alameda County, the incorporated cities of Newark and Union City, and the Santa Clara County line. Land uses in the City include a mix of residential, commercial, industrial, open space, and public institutional. The Sphere of Influence (SOI) for the City of Fremont is mostly coterminous with the municipal boundary, as shown in **Figure 7.1**.

The municipal services considered in this review that are provided by the City of Fremont include: animal control, fire and emergency response, law enforcement, lighting, parks and recreation, planning/building, and streets. Other services, such as solid waste, are provided under contract with other service providers.

#### 7.1.1 City Staffing

Total City staffing for fiscal year (FY) 2015 included 867.02 full-time equivalent (FTE) employees. **Table 7.1** shows the four service areas with the highest staffing levels.<sup>1</sup>

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<sup>1</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 7.1. City of Fremont Municipal Boundary and Sphere of Influence**



**TABLE 7.1  
CITY OF FREMONT  
HIGHEST STAFFING LEVELS BY SERVICE AREA**

Service Area	FY 2015 FTE
Police	296.5
Fire	157.00
Public Works	117.61
Community Services	90.01

Source: City of Fremont Comprehensive Annual Financial Report 2015

Similar to other cities in Alameda County, the police function had the highest staffing level in the City of Fremont, with 296.5 FTE employees.

### 7.1.2 Form of Government

The City of Fremont is a general law city operating under the council-manager form of government. The City Council consists of five members, including the elected Mayor; members serve four-year terms.

### 7.1.3 Joint Powers Authorities

The City of Fremont is a member of several Joint Powers Authorities (JPAs), as shown in **Table 7.2**.

**TABLE 7.2  
CITY OF FREMONT  
JOINT POWERS AUTHORITY MEMBERSHIP**

Joint Powers Authority	Service
East Bay Regional Communications System Authority	To build, own and operate a state-of-the-art P25 compliant communications system for the public agencies within Alameda and Contra Costa counties.
Association of Bay Area Governments	ABAG’s mission is to strengthen cooperation and collaboration among local governments to provide innovative and cost effective solutions to common problems that they face.
Alameda County Transportation Commission	The mission of the Alameda County Transportation Commission is to plan, fund and deliver transportation programs and projects that expand access and improve mobility to foster a vibrant and livable Alameda County
Alameda County Waste Management Authority	The Authority is responsible for preparation of the Alameda County Integrated Waste Management Plan and Alameda County Hazardous Waste Management Plan. It manages a long-range program for development of solid waste facilities and offers many programs in the areas of source reduction and recycling, market development, technical assistance and public education. Funding is provided by per-ton disposal and waste import mitigation fees.

Joint Powers Authority	Service
East Bay Community Energy Authority	East Bay Community Energy is a joint powers authority that aggregates electricity demand within participating Alameda County jurisdictions in order to procure more sustainable electricity for its customers.
Southern Alameda County GIS	Administration of the GIS system for the City of Fremont, City of Newark, Union Sanitary District, and Alameda County Water District.

Source: City of Fremont

## 7.1.4 Awards and Recognition

**Table 7.3** lists the awards the City of Fremont has reported receiving since the 2008 Municipal Service Review (MSR) update.

**TABLE 7.3**  
**CITY OF FREMONT**  
**AWARDS**

Award	Issuer	Year(s) Received
“SolSmart Gold” Award for Advancing Solar Energy Growth	SolSmart, a program funded by the U.S. Department of Energy SunShot Initiative	2016
Organization of the Year – Fremont Police Department for Unity Through Diversity; Communal Harmony for Cultural Diversity	Indo-American Community Federation	2016
Urban Design Award for Warm Springs/South Fremont Community Plan	American Planning Association, California Chapter	2015
MarCom Platinum Award for Supplement in Silicon Valley Business Journal	Association of Marketing and Communication Professionals	2015
MarCom Platinum Award for Supplement in Silicon Valley Business Journal (Brand Journalism category)	Association of Marketing and Communication Professionals	2015
Merit Award Winner for Downtown Fremont Project	International Downtown Association	2015
Certificate of Achievement for Excellence in Financial Reporting	Government Finance Officers Association of the United States and Canada	2015 (for 31 consecutive years)
Growing Smarter Together Award, “On the Ground - Getting It Done: Project in a Priority Development Area” for Warm Springs Community Plan City of Fremont	Association of Bay Area Governments	2015
Growing Smarter Together Award, “On the Ground - Getting It Done: FOCUSed Growth” Award for Downtown Fremont – General Plan	Association of Bay Area Governments	2014
City Cultural Diversity Award Winner	National League of Cities	2014
Best Website Launch	Ragan’s PR Daily Awards	2014
Excellence in Communications Award of Distinction: New Media for City of Fremont Social Media Pilot Program	California Association of Public Information Officials	2013
Award of Excellence: Digital Interactive Social Media for City of Fremont Social Media Pilot Program	City-County Communications and Marketing Association Strategic Marketing	2013

Award	Issuer	Year(s) Received
“Quality in IT Practices Award” for IT Services Department	Municipal Information Systems Association of California	2011 – 2013
2012-2013 Chairman’s Award Presented to Department of Economic Development	Fremont Chamber of Commerce	2012 – 2013
Distinguished Community Service Award for the Fremont Family Resource Center	Alameda County Bar Association	2012
Award of Excellence, in the category of Marketing and Communications - Digital Media-Video- Marketing Class 3 (population served: 125,000-250,000)	California Park & Recreation Society	2012
Award of Excellence, grand prize winner for Fremont Local Business Stimulus Package	California Association of Local Economic Development	2010
Silver Circle Award for Digital/Interactive Websites	City-County Communications and Marketing Association Strategic Marketing	2010
Helen Putnam Award for Excellence for Public Works, Infrastructure and Transportation	League of California Cities	2010

Source: City of Fremont

## 7.2 Service Review Determinations

The purpose of this MSR is described in Chapter 1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR Update, the following analysis informs the determinations which have been prepared for the City of Fremont.

### 7.2.1 Growth and Population Projections

According to the 2016 California Department of Finance estimates, the City of Fremont serves 229,324 residents within its SOI and its municipal boundary.

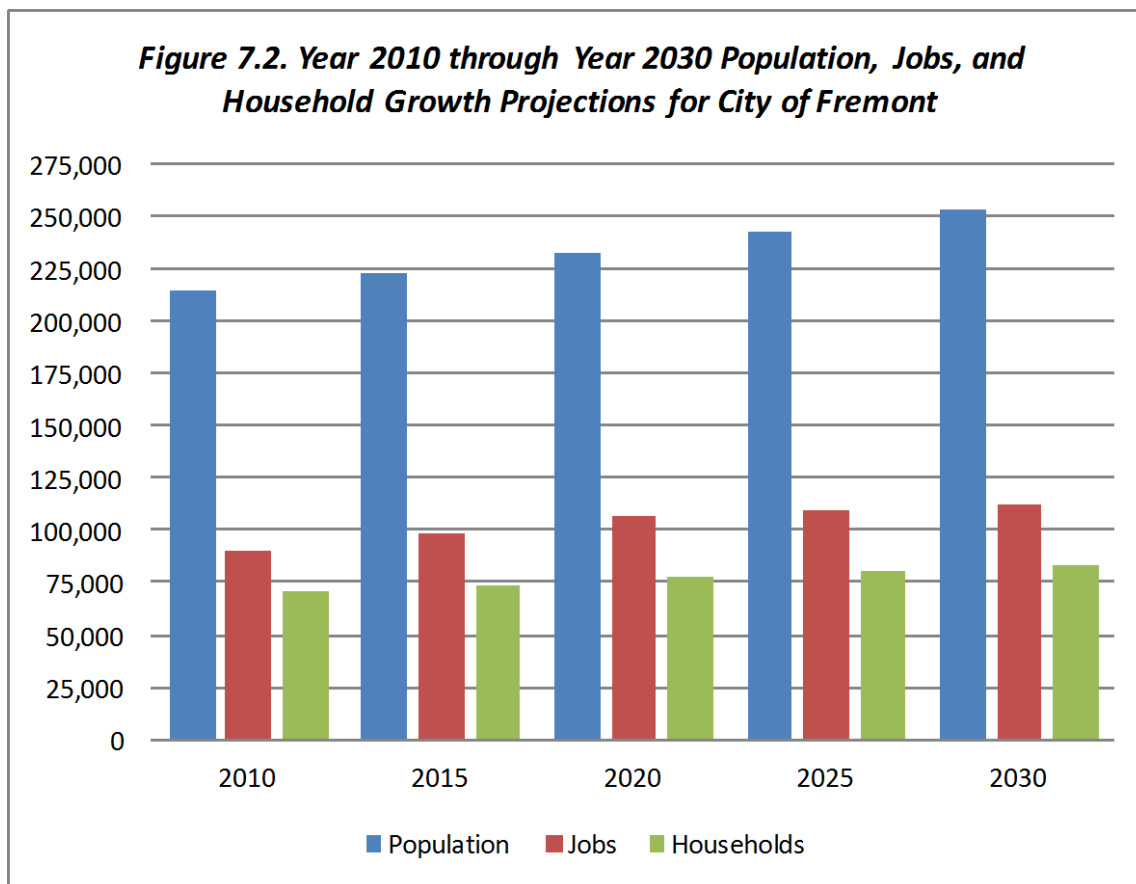
#### 7.2.1.1 *Projected Growth and Demographic Changes*

As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>2</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes 30-year growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for the City of Fremont are depicted in Figure 7.2.

ABAG projects that the City's population will grow at an annual rate of 0.8% to a population of 252,800 in 2030. The City of Fremont is also projected to experience a 1.1% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.

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<sup>2</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.



**Jobs and Housing**

According to ABAG Bay Area Census data<sup>3</sup> for 2010, the City of Fremont has 103,208 employed residents. The ABAG and MTC jobs forecast estimates 90,010 jobs in the City, with approximately 0.9 job for every employed resident. ABAG estimates that the City of Fremont has 73,989 housing units, which results in a job/housing balance of 1.2. The number of owner-occupied units in the City is greater than the number of renter-occupied housing units (**Table 7.4**), indicating that the rate of homeownership exceeds the rental household rate.

<sup>3</sup> ABAG Bay Area Census data are derived from US Census data specific to the Bay Area.

**TABLE 7.4**  
**CITY OF FREMONT**  
**HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	44,463
Renter-occupied housing units	26,541
Other <sup>1</sup>	2,985
Total existing housing units	73,989
<b>Regional Housing Need Allocation by Income Category 2014-2022</b>	
Above moderate	1,837
Moderate	978
Low	926
Very low	1,714
<i>Total Regional Housing Need Allocation</i>	<i>5,455</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their housing element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>4</sup> The City of Fremont was assigned an RHNA of 5,455 units, as shown in Table 7.4.

The City adopted its General Plan in 2011 and its Housing Element in December 2014. The City identified four potential PDAs for infill development, including housing. The City's 2015–2023 Housing Element identifies adequate sites, anticipated to yield 9,263 units, which are appropriately zoned to address the affordable housing demand and anticipated to meet and exceed its 2014-2022 assigned RHNA. The City's Housing Element has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *Planning for an Aging Population*

The number of adults age 50 and older in Alameda County is projected to increase approximately 60% by 2030, growing from 449,754 in 2010 to 701,000, representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>5</sup>

The City of Fremont Human Services Department oversees programs for seniors, which include aging and family Services, a senior center, and transportation services. The City's General Plan includes measures to support facilities and programs for older adults in the community. The City

<sup>4</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>5</sup> Year 2010–2030 ABAG projections.

has also joined the World Health Organization's Global Network for Age-friendly Cities and Communities, which was established to foster the exchange of experience and mutual learning between cities and communities worldwide.

### ***7.2.1.2 Anticipated Growth Patterns***

The City of Fremont reported approximately 457.5 entitled residential acres and approximately 177.4 undeveloped entitled residential acres in FY 2015.

Numerous projects have been identified as part of the FY17–FY22 projected growth for the City, including planned projects totaling 8,700 dwelling units and 2,391,076 commercial square feet. The City has also approved 3,428,799 industrial use square feet. These projects are either approved or in the approval process.

PDA, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. Four PDAs have been identified for the City of Fremont in Plan Bay Area. The Centerville PDA is characterized as a future transit neighborhood, the City Center PDA is characterized as a future city center, the Irvington District PDA is characterized as a future transit town center, and the South Fremont/Warm Springs PDA is characterized as a future suburban center.

The Centerville PDA boundary encompasses an approximately one-half-mile-wide corridor along Fremont Boulevard extending from Mowry Avenue west to the boundary of Union City. In the central area of the PDA, which is the historic town center of Centerville, the boundary increases extending from Alameda Creek southwest to Willowwood and Cabrillo Drives.

The City Center PDA boundary encompasses the central Downtown area of Fremont, including the BART Station, from Argonaut Way on the southeast end northwest to the BART rail line and from Mowry Avenue on the west extending east to approximately Stevenson Boulevard.

The Irvington District PDA boundary encompasses an approximately one-half-mile-wide corridor along Fremont Boulevard and Osgood Road extending from the Central Fremont PDA boundary on its west end southeast to Durham Road. In the central area of the PDA, which is the historic Irvington town center at the terminus of Fremont and Washington boulevards, the PDA boundary extends from Grimmer Boulevard east to I-680 and from Blacow Road north to Paseo Padre Boulevard.

The South Fremont/Warm Springs PDA boundary encompasses an approximately one-half-mile-wide corridor along Warm Springs Boulevard from the Irvington PDA boundary at Durham Road southeast to the City boundary. The central area of the PDA, which encompasses the new BART station, extends from South Grimmer Boulevard east to I-680.

Priority Conservation Areas (PCAs), which are areas of regionally significant open space facing development pressure also help form the implementing framework for Plan Bay Area. Fremont has identified Coyote Hills PCA in the northern portion of the City of Fremont. Less than half of the Coyote Hills site—historically tidal marsh, grassland, and wetland area—is currently

protected by a conservation easement, so additional land conservation efforts would permanently protect lands in this area. Conservation of this PCA would allow for the restoration of various habitats, including tidal marsh, salt ponds, natural marsh uplands, seasonal wetlands, and willow grove habitat. These habitats all provide important foraging and nesting habitat for shorebirds, waterfowl, and migratory birds.<sup>6</sup>

The City of Fremont does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI.

## **7.2.2 Boundaries, Islands, and Disadvantaged Unincorporated Communities**

The City of Fremont's SOI is roughly coterminous with its municipal boundary, with two small areas extending to the east at Vargas Road and south of Sheridan Road, and one small area northwest of Fremont's boundary into Union City (see Figure 7.1). The City does not anticipate any changes to its SOI. The City of Fremont emergency dispatch services are combined with the City of Union City. The City does not provide services to other areas outside its municipal boundary or SOI. There are no unincorporated islands in the City of Fremont.

### ***7.2.2.1 Disadvantaged Unincorporated Communities***

There are no identified DUCs within or contiguous to the SOI for the City of Fremont and therefore, no DUCs are relevant to this analysis.

## **7.2.3 City Services Overview**

As noted in Section 7.1 and as shown in **Table 7.5**, municipal services for the City of Fremont are provided by City staff and under contract with other service providers. Municipal services considered in this update are discussed individually below. Stormwater, water, and wastewater services will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

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<sup>6</sup> Alameda County Transportation Commission. Alameda County PDA Investment and Growth Strategy, March 2013.



**TABLE 7.5**  
**CITY OF FREMONT**  
**MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	City of Fremont	Tri-City Shelter
Fire and Emergency Response	City of Fremont	Paramedics Plus through County EMS; Dispatch services through Alameda County Regional Emergency Communications Center
Law Enforcement	City of Fremont	—
Library	—	Alameda County
Lighting	City of Fremont	Siemens, Bear Electrical, and St. Francis Electric
Parks and Recreation	City of Fremont	East Bay Regional Park District
Planning/Building	City of Fremont	—
Solid Waste	—	Republic Services
Stormwater		Alameda County Flood Control Zones 5 and 6
Streets	City of Fremont	—
Utilities:		
Electricity	—	Pacific Gas & Electric
Gas	—	Pacific Gas & Electric
Broadband	—	Comcast, AT&T, Sonic.net
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Mosquito Abatement District
Water	—	Alameda County Water District
Wastewater	—	Union Sanitary District

Source: City of Fremont

In the years since the 2008 MSR update, the cities of Fremont and Union City began consolidating emergency call centers (in July 2014). The full consolidation was completed in September 2016. The City of Fremont has not provided any new municipal services or discontinued any existing services since the 2008 MSR update.

The City of Fremont reports the following opportunities and challenges related to its provision of municipal services:

### **Opportunities**

- Development of the Warm Springs/South Fremont area, to include 4,000 new housing units, a new elementary school, and a 4-acre park
- Development in the Fremont Downtown area to create an urban, pedestrian-friendly district embodying sustainability and transit-oriented development principles
- Increased transportation and pedestrian safety and provision of transit option through the adoption of Fremont Vision Zero 2020

## **Challenges**

- Rising pension costs
- Increasing traffic
- Increasing homelessness

A summary of the City's municipal service level statistics for FY 2015 is provided in Table A.6 of **Attachment A**.

### ***7.2.3.1 Animal Control, Vector Control***

The City of Fremont and Tri-City Shelter are the animal control service providers. Animal control services include response to animal-related calls for service in Fremont, operation of the Tri-City Animal Shelter, facilitating adoption outreach and support, providing animal spay/neuter and rabies control services, and licensing pets.

City expenditures for animal control services were approximately \$1.2 million in FY 2015, up from \$1 million in FY 2008.

For 2015, 10,387 animal licenses were issued, which is approximately 22.9 dog licenses issued per 1,000 population, up from 10 in 2008. The number of animals handled by City of Fremont and Tri-City Shelter in 2015 was 4,488, down from 4,796 in 2008. The City of Fremont and Tri-City Shelter received 4,374 calls for service in 2015. The Tri-City Animal Shelter will be undergoing a \$1 million renovation in the upcoming fiscal year.

Throughout Alameda County, and including the City of Fremont, vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, including the City of Fremont.

### ***7.2.3.2 Fire and Emergency Response***

The City Fremont provides fire protection services. Public safety expenditures, which include fire and emergency response, were approximately \$98.1 million for FY 2015.

There were 14,686 reported calls for fire and emergency response service in 2015. Average fire and emergency response times for 2015 were 5:17 and 5:09 respectively. Average fire and emergency response time for 2008 was 4:37. The National Fire Protection Association (NFPA)

standard requires fire and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>7</sup>

The City reports that the condition of the fire stations and equipment is excellent. After passage of a 2002 bond measure, Fremont replaced and relocated three small, substandard fire stations and seismically strengthened and remodeled the remaining seven fire stations to better withstand earthquakes and serve the community. Four of the 11 stations have been built in the past 10 years and the remaining 7 stations have all been remodeled within the last 10 to 15 years. An additional station was constructed in 2004 as a public safety training center. The Fire Tactical Training Tower was constructed in 2010.

The Fire Department's fleet is on a regular replacement cycle. All personal protective equipment is regularly inspected and replaced as needed. Fire equipment is in fair to good condition, with the average age of fire apparatus/equipment being 8.9 years.

### ***7.2.3.3 Law Enforcement***

The City of Fremont provides law enforcement and dispatch services, including responding to calls for police and emergency assistance, investigating serious crimes and vehicle collisions, and enforcing the vehicle code, such as homicide, robbery, sex crimes, child abuse, kidnapping, burglary, and assault. Public safety expenditures, which include law enforcement, were approximately \$98.1 million for FY 2015. Public safety expenditures account for approximately 74% of General Fund expenditures.

The City of Fremont has 0.8 FTE sworn personnel per 1,000 population, which represents a slight decrease from 0.9 FTE in 2008. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>8</sup> There was a drop in crimes per sworn FTE from 27.9 in 2008 to 24.5 in 2015. The violent crime clearance rate (a measure of crimes solved) was down to 46.2% in 2015 from 47.8% in 2008; the property crime clearance rate was also down, from 9.8% in 2008 to 8.0% in 2015.<sup>9</sup>

The City's police station, opened in 1994, was retrofitted in 2013. The police vehicle fleet is replaced according to vehicle replacement schedules, which vary depending on the type of

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<sup>7</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

<sup>8</sup> National Sources of Law Enforcement Employment Data. April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

<sup>9</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and may be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

vehicle and use. Police vehicles are in fair to good condition with an average age of 5.6 years for police patrol vehicles and 6.1 years for other vehicles and equipment.

#### **7.2.3.4 Library**

Alameda County provides library services within the City of Fremont, with four locations (Fremont Main, Irvington, Centerville, and Niles). The City owns the buildings at Fremont Main, Irvington, and Centerville branches, and the Niles Branch is owned by Alameda County. Circulation data were not provided.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>10</sup> Select statistical data for the most recent year (FY 2014/2015) is provided in this MSR Update for comparative purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY2014/2015.

#### **7.2.3.5 Lighting and Streets**

Lighting (street and traffic) in the City of Fremont is provided and maintained via contract with Siemens, Bear Electrical, and St. Francis Electric. Total FY 2015 expenditures were \$641,339 or \$1,288 per street mile; FY 2008 expenditures for light and signal maintenance were \$8,521 per street mile.

The City of Fremont provides and maintains 498 street miles and approximately 117.8 Class 1 and 2 bike lane miles. FY 2015 expenditures for streets were not provided.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in the City of Fremont was 66 (fair) in 2009.<sup>11</sup> Pavement at the low end of the 60-69 (fair) range is significantly distressed and may require a combination of rehabilitation and preventive maintenance. Although the PCI increased to 69 in 2015, this is still below the target PCI of 75 (good) MTC has established.<sup>12</sup>

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<sup>10</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lds/librarystats.html>

<sup>11</sup> 2008 data were not available

<sup>12</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

### **7.2.3.6 Parks and Recreation**

The City of Fremont and East Bay Regional Park District are the primary service providers for parks and recreation. The City's Recreation and Parks divisions manage public use of recreation facilities and plan, maintain, and oversee the park system. FY 2008 expenditures for parks were \$3,196 per acre for major maintenance. Total FY 2015 expenditures were \$15,348,906.

The City and East Bay Regional Park District provide and maintain 26.2 park acres per 1,000 residents (5.36 acres are City of Fremont parks), and 5 recreation centers per 20,000 residents.

The City has six community center buildings, most of which are 40 to 50 years old. These buildings are heavily used and are critical to ongoing City programming and community rentals; however, no funding source has been identified for remodeling, upgrading, or replacing these aged facilities. The City also has historical buildings that are an essential part of the local and state history, and which require preventative and ongoing maintenance.

The City plans to allocate \$16 million over the next 5 years for park expansion and key renovations throughout the park and facilities inventory. The City also works with the East Bay Regional Park District to improve parks through the \$9.7 million received under Measure WW. Measure WW projects underway include Warm Springs restroom/ classroom replacement, irrigation upgrades at neighborhood parks, softball renovations, and Sailway Drive improvements.

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. The City of Fremont's level of service standard is 5 acres per 1,000 new residents.

### **7.2.3.7 Planning and Building**

The City of Fremont Community Development Department provides planning and building services, including: planning for future development; reviewing proposed development projects for conformance with the City's adopted policies and ordinances; maintaining and implementing the City's General Plan; providing information about planning, zoning, and building permits, and landscape architecture requirements; reviewing construction plans for code compliance; issuing building permits; and performing construction inspections. FY 2015 expenditures were \$4,207,429.

The City issued 332 residential building permits in 2015, up from 173 in 2008 and 12 commercial building permits in 2015, down from 16 in 2008. Total building permit valuation in FY 2015 is estimated at \$198.5 million, which represents an approximately 21% increase from the 2008 valuation (\$164.6 million). The adopted planning documents reported by the City are listed in **Attachment B**.

### **7.2.3.8 Solid Waste**

Solid waste services are provided to the City of Fremont by Republic Services. Republic Services transports solid waste collected from the City of Fremont to the Fremont Recycling and Transfer Station in Fremont. FY 2015 expenditures were \$5,495,957.

The City reported 0.77 ton of waste disposed per capita for FY 2015, and a total diversion rate of 72%. The FY 2015 per resident disposal rate was 4.2 pounds/resident/day.

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

### **7.2.3.9 Streets**

The City of Fremont provides and maintains 498 street miles and approximately 117.8 Class 1 and 2 bike line miles. FY 2015 expenditures for streets were not provided.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in the City of Fremont was 66 (fair) in 2009.<sup>13</sup> Pavement at the low end of the 60-69 (fair) range is significantly distressed and may require a combination of rehabilitation and preventive maintenance. Although the PCI increased to 69 in 2015, this is still below the target PCI of 75 (good) MTC has established.<sup>14</sup>

### **7.2.3.10 Utilities and Broadband**

Pacific Gas & Electric provides gas and electricity services to the City of Fremont, and the City coordinates with them regarding the location and condition of gas pipelines. Fremont is a member of the recently formed East Bay Community Energy Authority.

The City does not provide public broadband service. XFINITY from Comcast, AT&T U-verse, and Sonic.net each offer internet access to the city. These providers use a variety of wired technologies including cable and DSL. The City of Fremont did not indicate concerns about the availability or reliability of high-speed internet services. The California Public Utilities Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

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<sup>13</sup> 2008 data were not available

<sup>14</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report card for 2013. The City of Fremont received a grade of C, which indicates that internet service providers meet the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.<sup>15</sup>

The City did not indicate concerns about the ability of utility service or broadband providers to serve its existing or growing population.

## **7.2.4 City Services Determinations**

### ***7.2.4.1 Present and Planned Capacity of Facilities, Adequacy of Public Service***

As noted above, there are no DUCs within or contiguous to the City's SOI.

Average fire and emergency response time was 5:17 in 2015, which nearly meets the NFPA standard of 5 minutes.

The City of Fremont reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.

#### ***Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs***

The PCI for streets in the City of Fremont was 69 (good/fair) for 2015. This is below the target of 75 MTC has established and may indicate a future infrastructure investment need.

When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

#### ***Consistency with Capital Improvement Plans***

The City of Fremont has identified capital maintenance, transportation improvements, and general government as its top three capital priorities. The City's capital plan does not include a facility or infrastructure assessment, and does not have information on a replacement program.

#### ***Consistency with Local and Regional Land Use Plans and Policies***

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community

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<sup>15</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www. bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).

Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

#### ***7.2.4.2 Status and Opportunities for Shared Facilities***

The sharing of municipal services and facilities involves centralizing functions and facilities. Municipalities will collaborate through joint-use and shared services agreements for the joint provision of public services and joint use of public facilities as a way to save resources.

##### ***Current Shared Services***

The City provides an array of municipal services, with the exception of solid waste, utilities, vector control, wastewater, and water services. These services are provided via contract with Alameda County, public vendors, or private vendors. The City of Fremont shares dispatch services with the City of Union City. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

##### ***Duplication of Existing or Planned Facilities***

This review did not identify any duplication of existing or planned facilities.

##### ***Availability of Excess Capacity***

No excess service or facility capacity was identified as part of this review.

### **7.2.5 Financial Information**

This section provides an overview of the City's financial health and provides a context for assessing the City's financial ability to provide services.

Key financial FY 2015 information for City of Fremont municipal operations is provided in the discussion below. The information in this section has been obtained from the audited 2015 Comprehensive Annual Financial Report (CAFR) and from City staff. For comparative purposes, FY 2008 CAFR and staff-provided financial information is also included where available.

#### ***7.2.5.1 Revenues and Expenditures***

A comparison of the revenues and expenditures for the City's governmental and proprietary funds is shown in **Table 7.6**.



**TABLE 7.6**  
**CITY OF FREMONT**  
**COMPARISON OF REVENUE AND EXPENDITURES**  
**FY 2008 AND FY 2015**

	FY 2008	FY 2015
Total Revenue	\$275,829,006	\$253,035,693
Total Expenditures	\$209,977,016	\$217,901,111
<b>Net Surplus/(Deficit)</b>	<b>\$66,851,990</b>	<b>\$35,134,582</b>

Between FY 2008 and FY2015, the City's overall revenue decreased by 8%, largely due to changes in redevelopment and the recession. Expenditures increased by 4% during the same period.

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and Expenditures for the General fund are shown in **Table 7.7**. General Fund expenditures constituted approximately 61% (\$132.8 million) of the total expenditures for FY 2015.

**TABLE 7.7**  
**CITY OF FREMONT**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Property Tax	\$59,761,853	\$75,028,000
Sales Tax	\$35,583,842	\$40,743,875
Business Tax	\$7,508,481	\$9,420,130
Franchise Fees	\$7,953,642	\$9,298,688
Other Taxes	\$4,273,581	\$8,939,844
Charges for Services	\$9,269,315	\$8,796,513
Other Revenue	\$230,200	\$2,517,760
Intergovernmental	\$330,656	\$1,046,139
Investment Earnings	\$3,101,542	\$416,039
Vehicle License Fees	\$938,566	\$91,786
<b>Total Revenue</b>	<b>\$128,951,678</b>	<b>\$156,298,774</b>

Type	FY 2008	FY 2015
Expenditures by Program		
Police	\$51,898,838	\$60,121,890
Fire	\$29,845,855	\$37,063,504
Capital Assets Maintenance and Operations	—	\$19,897,835
General Government	\$12,628,762	\$13,687,288
Community Development and Environmental	\$714,477	\$1,230,461
Debt Service – Interest and Charges	\$442,218	\$542,535
Capital Outlay	\$278,102	\$270,413
Human Services	\$3,573,227	—
<b>Total Expenditures</b>	<b>\$99,381,479</b>	<b>\$132,813,926</b>
<b>Net Surplus/(Deficit)</b>	<b>\$29,570,199</b>	<b>\$23,484,848</b>

Total General Fund expenditures have increased by approximately \$33.4 million (33%) since FY 2008. In FY 2015, total expenditures for the City of Fremont exceeded \$217.9 million, which represents an increase of approximately \$7.9 million from FY 2008. Public safety services comprise the major expenditures (73%) for the City's General Fund.

The major revenues to the City's General Fund are taxes (e.g., property, sales), which comprise approximately 91% of the fund's annual revenue stream. The primary source of revenue is property tax, which in FY 2015 was above FY 2008 levels. The City's property tax revenue has increased by approximately \$15.3 million (26%) since FY 2008. **Table 7.8** provides a comparison of General Fund tax revenues

**TABLE 7.8**  
**CITY OF FREMONT**  
**COMPARISON OF TAX REVENUES**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Sales Tax	\$35,583,842	\$40,743,875
Property Tax	\$59,761,853	\$75,028,000
Business Tax	\$7,508,481	\$9,420,130
Franchise Fees	\$7,953,642	\$9,420,130
Other Taxes	—	\$8,939,844

City of Fremont sales tax revenue has increased by approximately \$5.1 million (14%) since FY 2008.

The City's property tax revenue has increased almost \$17 million since FY 2008, while sales tax revenue has increased by approximately \$5.1 million (14%). The property tax increase can be somewhat attributed to the housing market recovery after the Great Recession of 2008–2009.

### 7.2.5.2 Debt

**Table 7.9** summarizes the City's obligations, debt, and liabilities.

**TABLE 7.9**  
**CITY OF FREMONT**  
**COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES**  
**FY 2008 AND FY 2015**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$34,220,000	\$43,210,000
Ratio of Direct Debt <sup>1</sup> to Net Assessed Valuation	0.96%	0.09%
Ratio of Combined Debt <sup>2</sup> to Net Assessed Valuation	5.31%	5.73%
Unfunded Pension Liability	\$120,352,089	\$268,613,147

<sup>1</sup> General bonded debt

<sup>2</sup> Direct and overlapping debt

Standard and Poor's suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilized capital investment capacity. The City of Fremont has increased its general bonded debt by nearly \$9 million since 2008 to approximately \$188 per capita. The ratio of direct debt to net assessed valuation has decreased since 2008, and the ratio for combined debt to net asset valuation has increased.

Similar to many cities, the City of Fremont has seen an increase in its reported pension liability since 2008, partially due to Governmental Accounting Standards Board (GASB) 68.<sup>16</sup> The City's unfunded pension liability<sup>17</sup> is approximately 172% of the general fund revenue for FY 2015 (i.e., almost double the current general fund revenue would be needed to fully fund the existing pension liability if addressed all in one year). Fremont does not have a formal policy to address funding pension obligations; however, they have historically paid the actuarial required contribution to the California Public Employees' Retirement System and will continue to do so.

### 7.2.5.3 Reserves

Budget policies adopted by the City Council and incorporated into the annual operating budget require the City of Fremont to maintain the following four General Fund reserves: the Contingency Reserve, the Program Investment Reserve, the Economic Volatility Reserve, and the Budget Uncertainty Reserve. These reserves are reported as unassigned fund balance in the General Fund.

<sup>16</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports

<sup>17</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city's General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.

The Contingency Reserve helps mitigate the effects of unanticipated situations such as natural disasters and severe, unforeseen events. The Contingency Reserve also serves as back-up liquidity to the Risk Management Fund if the need arises. The Contingency Reserve is funded at a level at least equal to 10% of annual operating expenditures and transfers out. At June 30, 2015, the Contingency Reserve was approximately \$16.1 million.

The Program Investment Reserve provides a source of working capital for new programs or undertakings that have potential for receiving significant funding from outside sources, and organization retooling, process improvement, and strategic entrepreneurial opportunities. The Program Investment Reserve is funded at a level equal to 2.5% of annual operating expenditures and transfers out. At June 30, 2015, the Program Investment Reserve was approximately \$4.0 million.

The Economic Volatility Reserve is intended to offset the effects of future economic downturns and unanticipated cost increases beyond the City’s control. The Economic Volatility Reserve is funded at a level equal to 2.5% of annual operating expenditures and transfers out. At June 30, 2015, the Economic Volatility Reserve was approximately \$4.0 million.

The Budget Uncertainty Reserve is intended to offset quantifiable uncertainty in the multi-year forecast. The long-term funding level for this reserve is determined by measuring the level of financial risk associated with the following three areas of uncertainty: revenue risks, State budget risks, and uncontrollable costs. In the event the reserve has accumulated funding beyond the established level reasonably required to offset the risks above, excess funds will be assigned for capital projects, budgeted for service enhancement, or returned to the General Fund for other purposes. At June 30, 2015, the Budget Uncertainty Reserve was approximately \$3.7 million.

Fremont’s unassigned General Fund reserve levels have increased by approximately 2% since FY 2008 (**Table 7.10**).

**TABLE 7.10**  
**CITY OF FREMONT**  
**COMPARISON OF RESERVES**  
**FY 2008 AND FY 2015**

	FY 2008	FY 2015
Unassigned General Fund Reserve Level	\$36,318,217	\$37,240,565
Economic Uncertainty Reserve Fund <sup>1</sup>	\$28,977,000	\$23,800,000

<sup>1</sup> Separate from General Fund Reserve

#### **7.2.5.4 Fiscal Health Indicators**

Overall, the City of Fremont appears to be in positive fiscal health, as shown by the General Fund fiscal indicators in **Table 7.11**.

**TABLE 7.11**  
**CITY OF FREMONT**  
**GENERAL FUND FISCAL INDICATORS**  
**FY 2008 AND FY 2015**

Indicator	FY 2008 Value	FY 2015 Value
Net Operating Deficit/Surplus	(\$5,612,587)	\$8,777,806
Liquidity Ratio <sup>1</sup>	1.6	3.4
Fund Balance as Percent of Expenditures <sup>2</sup>	36.5%	29.4%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures

Since FY 2008, the City has turned a \$5.6-million deficit in their annual operating General Fund into an \$8.7 million surplus.

At the end of FY 2015, total fund balance was \$41.2 million, of which \$37.2 million was unassigned. The primary components of this unassigned amount are: \$16.1 million (10% of budgeted expenditures and transfers out) set aside by City Council policy for use for costs associated with unforeseen events (contingencies); \$4 million (2.5% of budgeted expenditures and transfers out) set aside by Council policy as a source of working capital for new programs or undertakings that have potential for receiving significant funding from outside sources, organization retooling, process improvement, and strategic entrepreneurial opportunities; \$4 million (2.5% of budgeted expenditures and transfers out) set aside by Council policy to offset the effects of future economic downturns and unanticipated cost increases beyond the City's control; \$3.7 million set aside by Council policy to offset uncertainty in the multi-year budget forecast; and \$9.4 million of unallocated fund balance. Total unassigned fund balance represents approximately 24% of total General Fund expenditures and transfers out. The City has committed over \$23.8 million for economic fluctuations and emergencies.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Standard and Poor's has assigned Fremont a bond rating of AA+ (high quality).

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). In the case of the City of Fremont, assets exceeded liabilities by \$634.5 million for FY 2015. At June 30, 2015, the City reported positive balances in all categories of net position, except for unrestricted net position due to the implementation of GASB 68 and the inclusion of the net pension liability.

The largest portion of the City's net position, \$727.7 million, reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment) less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

### **7.2.5.5 Financial Reporting**

The timeliness of financial reporting is a frequent and common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains at least some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end. The City of Fremont published its CAFR for FY 2015 in a timely manner (within 6 months of the fiscal year end). The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

## **7.2.6 Financial Determinations**

### **7.2.6.1 Financial Ability of Agency to Provide Services**

The City of Fremont anticipates the need to allocate resources for basic City services including public safety, as well as planning for major capital improvements. The City Council examines Capital Improvement Projects over a five-year timeframe and formally adopts a Capital Improvement Plan. The City has used a variety of revenue sources including grant funding and locally generated fees and taxes to address capital needs. Efforts are made to also prioritize the capital projects based upon links to the strategic plan and goals established by the City Council.

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Overall, the City of Fremont appears to have sufficient financial resources to continue providing services, as well as to accommodate infrastructure expansion, improvements, or replacement, as indicated below.

#### ***Operating General Fund deficit and surplus trends for the past five years***

The City of Fremont reports a five-year trend of surpluses in their annual operating general fund. The five-year average increased from \$1,667,975 in FY 2008 to \$12,347,033 in FY 2015.

#### ***Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing***

For FY 2015, the City transferred \$5,150,000 from the General Fund reserves to fund capital projects.

#### ***Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year***

As of June 30, 2015 the unassigned general fund balance represented approximately 28% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

*Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year*

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 3.4, which indicates the City has the means available to cover its existing obligations in the short-term.

*Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end*

The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

## **7.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

### *7.2.7.1 Online Availability of City Governance Information*

The City of Fremont website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

### *7.2.7.2 Online Availability of City Planning Information*

The City of Fremont website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

### *7.2.7.3 Public Involvement*

The City of Fremont website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## **7.2.8 Service Review Determinations Summary**

**Table 7.12** summarizes the service review determinations discussed throughout Section 7.2.

**TABLE 7.12**  
**CITY OF FREMONT**  
**SUMMARY OF SERVICE REVIEW DETERMINATIONS**

Determination Area and Criteria	Determination
<b><i>Growth and population projections for the affected area</i></b>	
Projected growth and demographic changes in and around the agency's service areas based on ABAG population projections	ABAG projects that the City's population will grow at an annual rate of 0.8% to a population of 252,800 in 2030. The City of Fremont is also projected to experience a 1.1% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	The City of Fremont does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI. The City has not indicated whether it consults with outside municipal service providers to ensure that PDAs as identified in Plan bay Area will receive adequate services at buildout.
<b><i>Location and characteristics of Disadvantaged Unincorporated Communities within or contiguous to the SOI</i></b>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	No unincorporated islands have been identified in the City of Fremont. There are no identified DUCs within or contiguous to the SOI for the City of Fremont
<b><i>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</i></b>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	The City of Fremont reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.  As an indication of a need for infrastructure investment, the pavement condition index (PCI) for streets in the City of Fremont was 69 (fair) for 2015, which is below the target of 75 MTC has established.  When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.
Consistency with capital improvement plans	The City of Fremont has identified capital maintenance, transportation improvements, and general government as its top three capital priorities. The City's capital plan does not include a facility or infrastructure assessment, and does not have information on a replacement program.
Consistency with local and regional land use plans and policies	The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.



Determination Area and Criteria	Determination
<b><i>Financial ability of the agency to provide services</i></b>	
Operating General Fund deficit and surplus trends for the past five years	The City of Fremont reports a five-year trend of surpluses in their annual operating general fund. The five-year average increased from \$1,667,975 in FY 2008 to \$12,347,033 in FY 2015.
Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing	For FY 2015, the City transferred \$5,150,000 from the General Fund reserves to fund capital projects.
Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year	At 28% of operating expenditures, the City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.
Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year	The City reported a liquidity ratio of 3.4, which indicates the City has the means available to cover its existing obligations in the short-term.
Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end	The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.
<b><i>Status of and opportunities for shared facilities</i></b>	
Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas	The City provides an array of municipal services, with the exception of solid waste, utilities, vector control, wastewater, and water services. These services are provided via contract with Alameda County or private vendors. The City of Fremont shares dispatch services with the City of Union City. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency's website	The City of Fremont website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency's website	The City of Fremont website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

<b>Determination Area and Criteria</b>	<b>Determination</b>
Time and place for public to provide input prior to decision being made	The City of Fremont website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 7.3 Sphere of Influence Review and Determinations

### 7.3.1 Sphere of Influence Recommendation

The SOI for the City of Fremont is mostly coterminous with the municipal boundary, as shown in Figure 7.1. The City is surrounded by the cities of Newark and Union City and unincorporated Alameda County.

This report recommends that Alameda LAFCo maintain and reaffirm the existing SOI for the City of Fremont.

### 7.3.2 Sphere of Influence Determinations for the City of Fremont

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 7.13**. These determinations are made as part of the review of the existing SOI and are based on the information in this City of Fremont MSR profile.

**TABLE 7.13**  
**CITY OF FREMONT**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	The City of Fremont plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including residential, commercial, industrial, open space, and public institutional. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (2011).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for the City of Fremont. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
<i>The present and probable future capacity of public facilities and services</i>	The present capacity of public facilities in the City of Fremont appears adequate. The City of Fremont anticipates it will continue to have adequate capacity during the next five years.
<i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i>	All communities of interest within the City's municipal boundary are included within the SOI. Alameda LAFCo has not identified specific social or economic communities of interest relevant to the City of Fremont.

Criteria	Determination
<p><i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i></p>	<p>The City of Fremont provides structural fire protection and sewer facilities and services within its SOI; water is provided by Alameda County Water District. There are no DUCs within or contiguous to the SOI for the City of Fremont and therefore no present or probable need for these facilities and services for DUCs.</p>

# Chapter 8

## City of Hayward

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### 8.1 Agency Overview



The City of Hayward, incorporated in 1876, covers an area of 61 square miles. The 2010 U.S. Census Bureau data shows the population as 114,186. The California Department of Finance estimates the January 1, 2016 population as 158,985. The City has a population density of approximately 2,606 persons per square mile.

The City of Hayward is bordered by unincorporated Alameda County, and the incorporated cities of Fremont, Pleasanton, and Union City. Land uses in the City include a mix of residential, commercial, industrial, open space, and downtown/city center. There are two Williamson Act contract parcels within the City of Hayward. The landowner for these vacant Williamson Act contract lands has filed a notice of nonrenewal.

The Sphere of Influence (SOI) for the City of Hayward extends beyond the municipal boundary toward I-238/I-538 to the north and toward Union City to the south as shown in **Figure 8.1**. The SOI for the City of Hayward does not include the municipal boundary where it extends to the east to the City of Pleasanton.

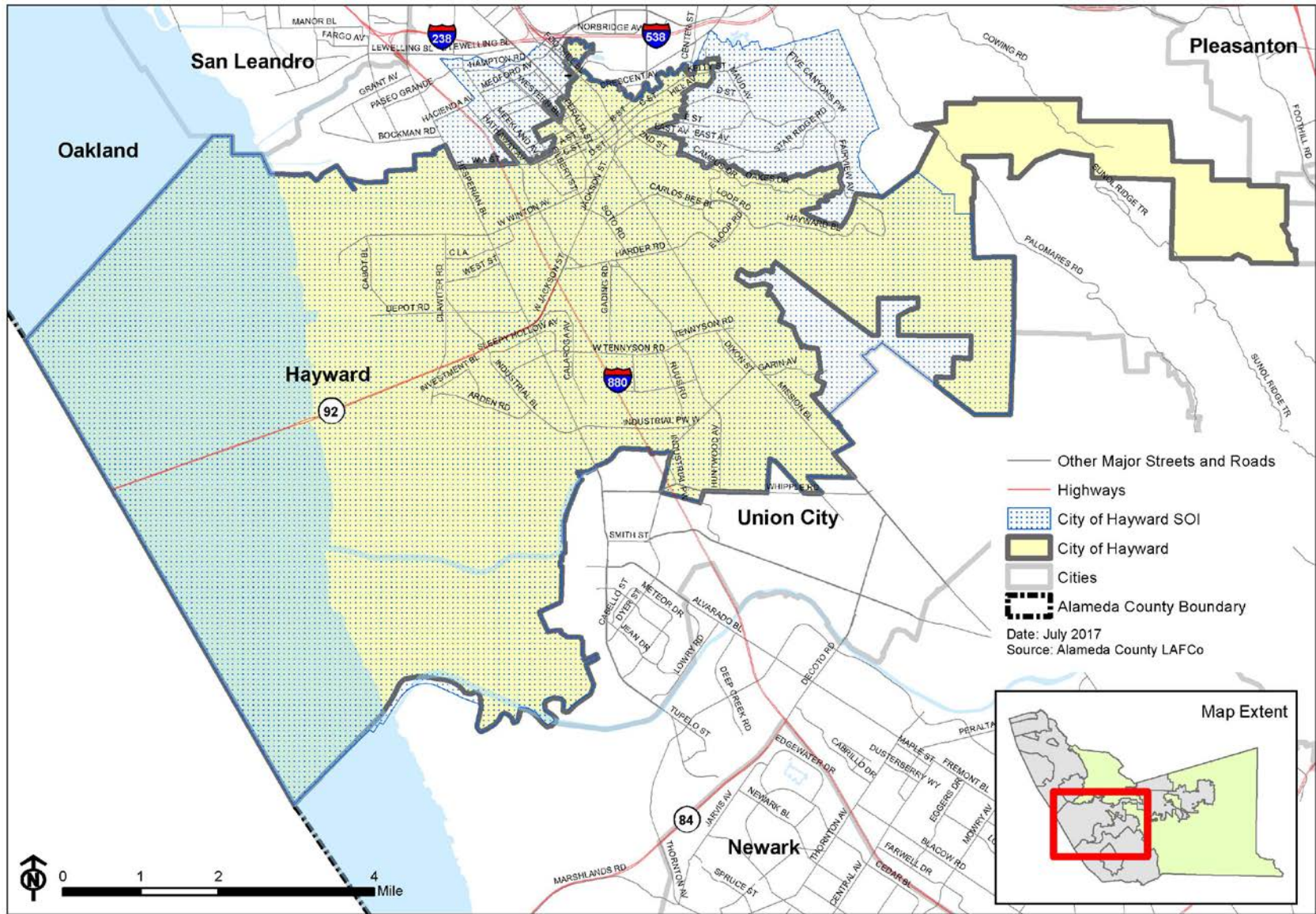
The municipal services considered in this review that are provided by the City of Hayward include: animal control, fire and emergency response, law enforcement, library, lighting, parks and recreation, planning/building, and streets. Other services, such as solid waste, are provided under contract with other service providers.

#### 8.1.1 City Staffing

Total City staffing for fiscal year (FY) 2015 included 824.2 full-time equivalent (FTE) employees. **Table 8.1** shows the four service areas with the highest staffing levels.<sup>1</sup>

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<sup>1</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 8.1. City of Hayward Municipal Boundary and Sphere of Influence**

**TABLE 8.1**  
**CITY OF HAYWARD**  
**HIGHEST STAFFING LEVELS BY SERVICE AREA**

Service Area	FY 2015 FTE
Public Safety	439.5
General Government	165.0
Water	58.5
Wastewater	56.0

Source: City of Hayward Comprehensive Annual Financial Report 2015.

Similar to other cities in Alameda County, the public safety function has the highest staffing level in the City of Hayward, with 439.5 FTE employees.

### 8.1.2 Form of Government

The City of Hayward is a charter city operating under the council-manager form of government. The City Council consists of seven members, including the elected Mayor; members serve four-year terms.

### 8.1.3 Joint Powers Authorities

The City of Hayward is a member of several Joint Powers Authorities (JPAs), as shown in **Table 8.2**.

**TABLE 8.2**  
**CITY OF HAYWARD**  
**JOINT POWERS AUTHORITY MEMBERSHIP**

Joint Powers Authority	Service
South Hayward BART Station Access Authority	Manages and administers parking and access within the boundaries of the Authority in an equitable and orderly fashion in order to promote transit-oriented development, support access to the Station by BART patrons, maximize BART ridership, and protect the neighborhoods surrounding the Station.
East Bay Community Energy Authority	East Bay Community Energy is a joint powers authority that aggregates electricity demand within participating Alameda County jurisdictions in order to procure more sustainable electricity for its customers.
East Bay Regional Communications System Authority	To build, own and operate a state-of-the-art P25 compliant communications system for the public agencies within Alameda and Contra Costa counties.
Hayward Area Shoreline Planning Agency	With the support of the Hayward Area Shoreline Citizens Advisory Committee, coordinates agency planning activities and adopt and carries out policies for the improvement of the Hayward Shoreline for future generations.
Alameda County Transportation Commission	Plans, funds, and delivers transportation programs and projects that expand access and improve mobility to foster a vibrant and livable Alameda County
East Bay Dischargers Authority	Provides for the "more efficient disposal of wastewater produced in each Member Agency, all to the economic and financial advantage of each Agency and otherwise for the benefit of each Agency; and each of the Agencies is willing to plan with the other Agencies for joint wastewater facilities which will protect all of the Agencies."

Joint Powers Authority	Service
Alameda County Waste Management Authority	Responsible for preparation of the Alameda County Integrated Waste Management Plan and Alameda County Hazardous Waste Management Plan. It manages a long-range program for development of solid waste facilities and offers many programs in the areas of source reduction and recycling, market development, technical assistance and public education. Funding is provided by per-ton disposal and waste import mitigation fees.
Energy Council Joint Powers Authority	Formed in Spring 2013 as a Joint Powers Agency to seek funding on behalf of its member agencies to develop and implement programs and policies that reduce energy demand, increase energy efficiency, advance the use of clean, efficient and renewable resources, and help create climate resilient communities. The Energy Council assists its members in strengthening staff capacity, providing technical expertise, and securing funds to implement local sustainable energy strategies.
Bay Area Water Supply & Conservation Agency	Comprised of agencies that depend on the San Francisco Regional Water System, and its goals are to ensure a reliable water supply and high-quality water at a fair price.
San Francisco Bay Area Regional Water System Financing Authority	A regional organization to raise money to help rebuild the San Francisco Bay Area regional water system. The Financing Authority exists solely to help fund capital improvements to the San Francisco regional water system.

Source: City of Hayward

### 8.1.4 Awards and Recognition

**Table 8.3** lists the awards the City of Hayward has reported receiving since the 2008 Municipal Service Review (MSR).

**TABLE 8.3**  
**CITY OF HAYWARD**  
**AWARDS**

Award	Issuer	Year(s) Received
All-American City	National Civic League	2016
Silver Beacon Award	Institute for Local Government	2015
Green Power Leadership Award	U.S. Environmental Protection Agency	2015
Collections Systems of the Year	California Water Environment Association	2016
Treatments Plan of the Year	California Water Environment Association	2016
Environmental Project Award	Acterra	2016

Source: City of Hayward



## 8.2 Service Review Determinations

The purpose of the MSR is described in Chapter 1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR Update, the following analysis informs the determinations which have been prepared for the City of Hayward.

### 8.2.1 Growth and Population Projections

According to the 2016 California Department of Finance estimates, the City of Hayward serves 158,985 residents within its municipal boundary.

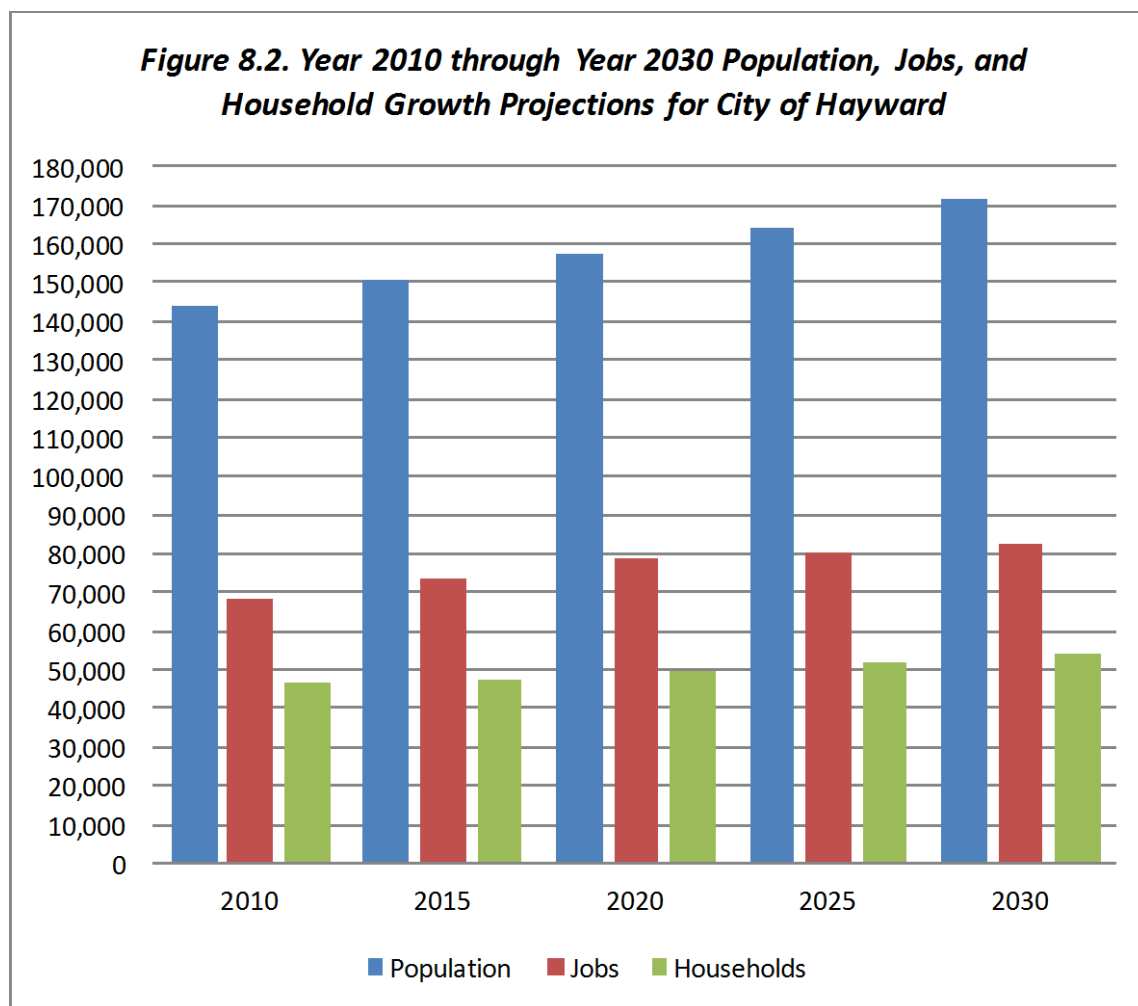
#### *8.2.1.1 Projected Growth and Demographic Changes*

As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>2</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes 30-year growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for the City of Hayward are depicted in **Figure 8.2**.

ABAG projects that the City's population will grow at an annual rate of 0.9% to a population of 171,800 in 2030. The City of Hayward is also projected to experience a 0.9% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.

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<sup>2</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.



***Jobs and Housing***

According to ABAG Bay Area Census data<sup>3</sup> for 2010, the City of Hayward has 66,877 employed residents. The ABAG and MTC jobs forecast estimates 68,140 jobs in the City, with approximately 1.02 jobs for every employed resident. ABAG estimates that the City of Hayward has 48,296 housing units, which results in a job/housing balance of 1.4. The number of owner-occupied units in the City is greater than the number of renter-occupied housing units (**Table 8.4**), indicating that the rate of homeownership exceeds the rental household rate.

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<sup>3</sup> ABAG Bay Area Census data are derived from US Census data specific to the Bay Area.

**TABLE 8.4**  
**CITY OF HAYWARD**  
**HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	23,935
Renter-occupied housing units	21,430
Other <sup>1</sup>	2,931
Total existing housing units	48,296
<b>Regional Housing Need Allocation by Income Category 2014-2022</b>	
Above moderate	1,981
Moderate	608
Low	480
Very low	851
<i>Total Regional Housing Need Allocation</i>	<i>3,920</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their housing element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>4</sup> The City of Hayward was assigned a RHNA of 3,920 units, as shown in Table 8.4.

The City adopted its General Plan and its Housing Element in December 2014. The City has identified four potential PDAs for infill development, including housing. The City's 2015–2023 Housing Element identifies adequate sites, anticipated to yield 3,076 units, which are appropriately zoned to address the affordable housing demand. Additionally, the City has 2,440 planned and approved units in the pipeline for a total of 5,516 units. Therefore, the City is anticipated to meet and exceed its 2014-2022 assigned RHNA. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *Planning for an Aging Population*

The number of adults age 50 and older in Alameda County is projected to increase approximately 60% by 2030, growing from 449,754 in 2010 to 701,000, representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>5</sup>

In addition to planning for its aging population in the Community Health and Quality of Life Element of its General Plan, the City of Hayward provides the following city programs pertaining

<sup>4</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>5</sup> Year 2010–2030 ABAG projections.

to an aging population: Paratransit, Housing Rehabilitation Program, and Single Family Home Seismic Retrofits.

### ***8.2.1.2 Anticipated Growth Patterns***

The City of Hayward has approximately 5,096 entitled residential acres and approximately 274 undeveloped entitled residential acres in FY 2015.

Numerous projects have been identified as part of the FY17-FY22 projected growth for the City and include 2,217 dwelling units and approximately 55.8 commercial acres. These projects are either approved or in the approval process.

PDA, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. Four PDAs have been identified for the City of Hayward in Plan Bay Area. The Downtown PDA, characterized as a future city center, is bounded by Third Street to the east, Grand Street and Hayward BART to the west, Jackson Street and E Street to the south, and City Center Drive/Hazel Avenue to the north. The City anticipates up to 3,223 additional housing units in this area by 2040.

The Cannery PDA, characterized as a future transit neighborhood, is bounded by Winton Avenue to the south and Amador Street to the west. The northern boundary runs along B Street between Amador Street and Myrtle Street, and the eastern boundary runs along Myrtle between B Street and C Street, along C Street between Myrtle and Filbert, along Filbert between C and Meek, along Meek between Filbert and Madsen, and follows the length of Madsen before reconnecting with Winton Avenue via Myrtle Street. The City anticipates up to 752 additional housing units in this area by 2040.

The Mission Corridor PDA, characterized as a future mixed-use corridor, comprises approximately 600 parcels, 240 acres, and has a total length of approximately 2 miles. The area includes two segments along Mission Boulevard, a major transportation corridor that extends from Harder Road in the south to the City limits in the north, excluding the downtown core. The City anticipates up to 2,698 additional housing units in this area by 2040.

The South Hayward BART PDA, characterized as a future mixed-use corridor and future urban neighborhood, runs along both sides of Mission Boulevard south of Jefferson Street and Calhoun Street intersections, and broadens west to the BART tracks at Tennyson Road. From there, the corridor boundary continues between Mission Boulevard and the BART tracks until Industrial Parkways, which forms the southern boundary of the development area along with Garin Avenue. The City anticipates up to 3,871 additional housing units in this area by 2040.

The City does not consult with outside municipal service providers to ensure that the PDAs will receive adequate services at buildout as the City provides these services. The City does consult internally with its service departments and divisions to ensure the City has adequate capacity to provide municipal services to new developments.

Priority Conservation Areas (PCAs), which are areas of regionally significant open space facing development pressure also help form the implementing framework for Plan Bay Area. The East Bay Greenway PCA includes the cities of Hayward, Oakland, and San Leandro, as well as a portion of unincorporated Alameda County. The PCA is a planned bicycle and pedestrian pathway that extends from the City of Oakland to the City of Hayward underneath the elevated BART tracks. This 13-mile greenway will run through four jurisdictions and connect five BART stations, as well as other regional destinations, such as the Oakland Coliseum and Bay Fair Center. Neighborhoods adjacent to the East Bay Greenway PCA are experiencing significant new growth, and already lack sufficient parks and opportunities for recreation. Once complete, the East Bay Greenway will be an amenity for these neighborhoods that increases connectivity, promotes health, and makes the surrounding areas more livable.<sup>6</sup>

The City of Hayward does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI.

## **8.2.2 Boundaries, Islands, and Disadvantaged Unincorporated Communities**

The SOI for the City of Hayward extends beyond the municipal boundary toward I-238/I-538 to the north and toward Union City to the South (see Figure 8.1). The SOI does not include the municipal boundary where it extends to the east toward Pleasanton. The City does not anticipate any changes to its SOI within the next five years. Hayward provides water and sewer services to areas several areas outside its municipal boundary, primarily in the unincorporated Castle Homes and Fairview areas, but within its SOI. Additionally, Hayward provides fire protection and emergency response services in the unincorporated Fairview area via contract with the Fairview Fire Protection District.

There are no unincorporated islands in the City of Hayward.

### ***8.2.2.1 Disadvantaged Unincorporated Communities***

There are no identified DUCs within or contiguous to the SOI for the City of Hayward and therefore, no DUCs are relevant to this analysis.

## **8.2.3 City Services Overview**

As noted in Section 2.1 and as shown in **Table 8.5**, municipal services for the City of Hayward are provided by City staff and under contract with other service providers. Municipal services considered in this update are discussed individually below. Stormwater, water, and wastewater

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<sup>6</sup> Alameda County Transportation Commission. Alameda County PDA Investment and Growth Strategy, March 2013.

services will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

**TABLE 8.5  
CITY OF HAYWARD  
MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	City of Hayward	Hayward Animal Shelter
Fire and Emergency Response	City of Hayward	—
Law Enforcement	City of Hayward	—
Library	City of Hayward	—
Lighting	City of Hayward	—
Parks and Recreation		Hayward Area Recreation and Park District, East Bay Regional Parks District
Planning/Building	City of Hayward	—
Solid Waste	—	Waste Management
Stormwater	City of Hayward	Alameda County Flood Control Zones 2 and 3A
Streets	City of Hayward	—
Utilities and Broadband:		
Electricity	—	Pacific Gas & Electric
Gas	—	Pacific Gas & Electric
Broadband	—	Comcast, AT&T, Sonic.net
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Mosquito Abatement District
Water	City of Hayward	East Bay Municipal Utility District
Wastewater	City of Hayward	East Bay Dischargers Authority

Source: City of Hayward

In the years since the 2008 MSR update, the City has added the following programs:

**Office of the City Manager (including Economic Development)**

- Community & Media Relations Division: coordinates the City’s public information distribution, web and social media presence, and branding and marketing strategies.
- Business Concierge Program

**Development Services**

- Earthquake Brace & Bolt Seismic Retrofit Program
- Solar Wednesdays (expedited & discounted permitting)

### **Fire**

- The City constructed New Fire Station #7 and Firehouse Clinic during FY 2015. Located on Huntwood Avenue, this new fire station replaces the existing facility, which was a four-piece modular building with an adjacent apparatus bay and showed severe signs of aging.
- Water Rescue Training Program
- No-Cost Residential Chipper Program
- Free smoke detector program

### **Library & Community Services**

- Career Online High School
- Lawyer in the Library
- Seed Lending Library
- Free Notary Services
- Covered CA application assistance
- Subsidized Single Family Home Retrofit Program
- Paratransit Taxi

### **Police**

- Coffee with a Cop
- Jr. Giants
- Hayward E.Y.E.S.
- Automated License Plate Readers
- Body Worn Camera program
- V5 surveillance camera pilot program

### **Public Works, Engineering & Transportation**

- Pavement Rehabilitation Program

In the years since the 2008 MSR update, the City has discontinued the following programs:

### **Development Services**

- Redevelopment Agency
- Property Rehabilitation/Façade Program
- Home Ownership Program

### **Library & Community Services**

- Basic Computer Training Classes

The City of Hayward reports the following opportunities and challenges related to its provision of municipal services:

**Opportunities**

- Multijurisdictional collaboration to address regional problems
- Prioritize and restructure service provision to ensure long-term fiscal sustainability
- New growth, development, and revitalization

**Challenges**

- Increasing employee benefit costs
- Increases in demand for services are greater than increases in revenues
- Revenue uncertainty due to economic and political forces beyond the City's control

A summary of the City's municipal service level statistics for FY 2015 is provided in Table A.7 of **Attachment A**.

*8.2.3.1 Animal Control, Vector Control*

The City of Hayward and Hayward Animal Shelter are the animal control service providers for the City, and are dedicated to improving the lives of all the animals within the City. Hayward Animal Services provides animal field and shelter services for the City of Hayward. The Hayward Animal Shelter provides adoption, lost pet recovery, and other services. Animal control expenditures were \$1,696,898 for FY 2015.

For 2015, 11 dog licenses were issued per 1,000 population (1,741 total), down slightly from 11 in 2008. The number of animals handled by City of Hayward and Hayward Animal Shelter in 2015 was 4,032, down from 4,874 in 2008. The City of Hayward and Hayward Animal Shelter received 3,130 calls for service in 2015, down from 3,574 in 2008.

Throughout Alameda County, and including the City of Hayward vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, including the City of Hayward.



### ***8.2.3.2 Fire and Emergency Response***

The City of Hayward provides fire protection services, including structural and wild land firefighting, vehicle extrication, high and low angle rescue, hazardous materials response, and First Responder Advanced Life Support. The Fire Department also implements disaster response and management training; provides public education on fire hazards, disaster preparedness, and first aid; enforces the Uniform Fire Code and state and federal codes; regulates the storage and use of hazardous materials; and provides emergency medical services to patients throughout Hayward. Public safety expenditures, which include fire and emergency response, were approximately \$33.5 million for FY 2015, up from approximately \$28.1 million in FY 2008.

There were 15,580 reported calls for fire and emergency response service in 2015, up from 13,474 in 2008. Average fire and emergency response times for 2015 were under 5 minutes more than 90% of the time. Average response time was 5 minutes in 2008. The National Fire Protection Association (NFPA) standard requires fire response and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>7</sup>

Many of Hayward's fire stations are older and in need of seismic and other upgrades. The City has commenced construction on upgrades to fire stations 1 through 5; a separate project will upgrade fire station 6 and include the construction of a new training facility. Both projects are funded through additional sales tax raised through Measure C approved by Hayward voters in 2014. Fire Station 7 and the adjoining Fire Station Clinic were completed and opened in 2015. Fire Department apparatus and equipment provide the latest technological and safety-related features in the industry.

### ***8.2.3.3 Law Enforcement***

The City of Hayward provides law enforcement and dispatch services, including criminal investigation and special investigation services, police patrol, community policing, special weapons and tactics, traffic, training, and Chabot College campus security. The City's Emergency Communications Center provides dispatch for the Police and Fire departments. The Police Department also operates the Hayward Police Detention Facility, a Board of Corrections certified Type I jail, housing up to 30 prisoners. The Youth & Family Services Bureau is a unique part of the Hayward Police Department where police officers and professional counselors work side by side offering a variety of services to the residents of Hayward, including: family counseling, crisis intervention, and case management; school resource officers; school-based counseling; youth diversion; the Junior Giants summer baseball program; and the Police Explorer Program. City expenditures for law enforcement were approximately \$33.5 million for FY 2015, up from

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<sup>7</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

approximately \$28.1 million in FY 2008. Public safety expenditures, which include law enforcement, account for 75% of General Fund expenditures.

The City of Hayward has 1.3 FTE sworn personnel per 1,000 population, which represents a slight decrease from 1.4 FTE in 2008. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>8</sup> Crimes per sworn FTE increased slightly from 28 in 2008 to 28.3 in 2015. The property crime clearance rate (a measure of crimes solved) decreased to 7.6 in 2015 from 17.1 in 2008, while the violent crime clearance rate increased from 27.8 in 2008 to 28.4 in 2015.<sup>9</sup>

The main police building, which is over 40 years old, is in poor condition and its capacity has been exceeded. The City is developing plans to build a new police building. The two police substations (North and South) are in adequate condition. Police equipment and patrol vehicles are adequate to safely serve the community and police officers. The Police Department joined the East Bay Regional Communications System Authority P-25 compliant communications system in the fall of 2016 and replaced hand-held and mobile radios with new models.

#### **8.2.3.4 Library**

The City of Hayward provides library services within the City, with 2 physical locations and 12 satellite service delivery locations. Library services include organizing and circulating the library's materials collection, providing educational programs and outreach to the community, maintaining the library's website and electronic resources, maintaining the Integrated Library System (library patron records database), and managing the billing and collection of library fines and fees. Library expenditures were \$31.14 per capita (\$4.9 million) for FY 2015, down from \$36.98 per capita (\$4.2 million) in FY 2008.

Average circulation per capita was 5.77 items in 2015, down from 5.99 in 2008, and 0.36 public access computer was provided per 1,000 population in 2015, which was nearly the same as for 2008 (0.37).

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>10</sup> Select statistical data for the most recent year (FY 2014/2015) is provided in this MSR Update for comparative purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY2014/2015.

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<sup>8</sup> National Sources of Law Enforcement Employment Data, April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

<sup>9</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

<sup>10</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lids/librarystats.html>

During FY 2015, the final design was completed for the 21st Century Library and Community Learning Center project, which is expected to cost \$65.7 million, and was approved to go out for bid. A 58,000-square foot Library and Community Learning Center will be constructed, which is planned to be a Leadership in Energy and Environmental Design Platinum and Net Zero Energy facility and plaza that will meet the community's needs through 2030 and beyond. Construction will commence in FY 2016 as a result of the June 2014 approval by the Hayward voters of a one-half-cent local sales tax increase.

### ***8.2.3.5 Lighting and Streets***

Lighting (street and traffic) is provided and maintained by the City of Hayward. City expenditures for light and signal maintenance were \$1,217,256 for FY 2015, or \$4,576 per street mile, and \$14,638 per street mile for FY 2008.

All 8,178 streetlights were recently converted to LED, resulting in a net savings of over \$300,000 a year.

The City of Hayward provides and maintains 266 street miles and 29.2 miles of Class 1 and Class 2 bike lanes. FY 2015 expenditures for streets were \$451,000.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in the City of Hayward was 69 in 2009.<sup>11</sup> Pavement at the low end of the 60-69 (fair) range is significantly distressed and may require a combination of rehabilitation and preventive maintenance. The PCI decreased to 67 in 2015, which is well below the target PCI of 75 (good) MTC has established.<sup>12</sup>

### ***8.2.3.6 Parks and Recreation***

The Hayward Area Recreation and Park District, and East Bay Regional Parks District are the primary service providers for parks and recreation. The City of Hayward does not provide/maintain recreational trails for its residents—these are provided by the park districts. The City does provide 2 small parks in addition to 0.38 recreation center per 20,000 residents. City of Hayward FY 2015 expenditures for parks and recreation were \$178,620.

The Newman Park and Julio Bras Portuguese Centennial Park are in good condition and no facility additions, upgrades, or renovations are planned.

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<sup>11</sup> 2008 data were not available

<sup>12</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. The City of Hayward's level of service standard is 5 acres per 1,000 new residents.

### ***8.2.3.7 Planning and Building***

The City of Hayward Development Services Department provides planning and building services. The Planning Division provides guidance in accordance with state and federal laws, the City General Plan, a variety of Specific Plans and the City's Zoning Ordinance towards development and the growth within the City. The Building Division reviews preliminary drawings for code compliance and verifies quality of work during construction through issuing building permits, conducting plan review, and building inspection. The Code Enforcement Division responds to and resolves code violations on private properties throughout Hayward. FY 2015 expenditures were \$4,556,249.

The City issued 3,889 residential and 280 commercial building permits in 2015. Total building permit valuation in FY 2015 is estimated at \$17.5 billion, up from \$15.9 billion in 2008. The adopted planning documents reported by the City are listed in **Attachment B**.

### ***8.2.3.8 Solid Waste***

Solid waste services are provided to the City of Hayward by Waste Management. Waste Management transports solid waste collected from the City of Hayward to the Altamont Landfill and Resource Recovery Facility in Livermore. FY 2015 expenditures were \$41,724.

The City reported 0.47 ton of waste disposed per capita for FY 2015, up from 0.38 in 2008, and a total diversion rate of 74% in 2015, up from 63% in 2008. The FY 2015 per resident disposal rate was 2.77 pounds/resident/day, down from 3.5 in 2008.

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

### ***8.2.3.9 Utilities and Broadband***

Pacific Gas and Electric provides gas and electricity services to the City of Hayward. The City has information about the general location and size of gas pipelines, but Pacific Gas and Electric has not provided specific information regarding their location or condition. Hayward is a member of the recently formed East Bay Community Energy Authority.

The City does not provide public broadband service. XFINITY from Comcast, AT&T U-verse, and Sonic.net each offer internet access to the city. These providers use a variety of wired technologies including cable and DSL. The City of Hayward did not indicate concerns about the

availability or reliability of high-speed internet services. The California Public Utilities Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report card for 2013. The City of Hayward received a grade of C, which indicates that internet service providers meet the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.<sup>13</sup>

The City did not indicate concerns about the ability of utility service or broadband providers to serve its existing or growing population.

## 8.2.4 City Services Determinations

### 8.2.4.1 *Present and Planned Capacity of Facilities, Adequacy of Public Service*

As noted above, there are no DUCs within or contiguous to the City's SOI.

The City's average fire and emergency response times achieved compliance with the NFPA standard for 2015.

The City of Hayward reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.

#### *Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs*

The pavement condition index for streets in the City of Hayward was 67 for 2015. This is below the target of 75 MTC has established. To help address this infrastructure investment need, the City Council approved the Community Development Block Grant for Promise Neighborhood Street Improvement project in FY 2015, which involves street pavement improvements for various street sections in the Jackson Triangle Area, an area bordered by Jackson Street, Harder Road, and Whitman Street.

When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

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<sup>13</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www. bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).

### *Consistency with Capital Improvement Plans*

The City's facilities replacement plan is managed by the Maintenance Services Division, while Public Works oversees the infrastructure improvements plan. The top three critical projects are Replacement of Police Station, Replacement of Fire Training Center, and Pavement Rehabilitation of the City's Roadway Network.

### *Consistency with Local and Regional Land Use Plans and Policies*

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

#### *8.2.4.2 Status and Opportunities for Shared Facilities*

The sharing of municipal services and facilities involves centralizing functions and facilities. Municipalities will collaborate through joint-use and shared services agreements for the joint provision of public services and joint use of public facilities as a way to save resources.

#### *Current Shared Services*

The City provides an array of municipal services, with the exception of solid waste, utilities, vector control, and some recreation and stormwater services. These services are provided via contract with Alameda County, public vendors, or private vendors. The City provides fire services to Fairview Fire District. There are no recommended improvements in this arrangement.

The City does not share facilities or services with other municipalities. No opportunities to share services or facilities were identified as a part of this review.

This review identified an overlap between the City of Hayward and East Bay Municipal Utility District for water services along Hayward's northern border. These jurisdictions have adopted an agreement specifying which agency will provide services, and LAFCo received a reorganization application from East Bay Municipal Utility District on August 23, 2017 to reflect the agreement with the City of Hayward. Hayward has also identified an overlap area along its southern boundary with the Alameda County Water District. The jurisdictions have not adopted a formal agreement to clarify service provision in the overlap area. These areas of overlapping responsibility will be further examined in a separate MSR that will review water and wastewater services.

#### *Duplication of Existing or Planned Facilities*

This review did not identify any duplication of existing or planned facilities.

#### *Availability of Excess Capacity*

No excess service or facility capacity was identified as part of this review.

## 8.2.5 Financial Information

This section provides an overview of the City's financial health and provides a context for assessing the City's financial ability to provide services.

Key FY 2015 financial information for City of Hayward municipal operations is discussed below. The information in this section has been obtained from the audited 2015 Comprehensive Annual Financial Report (CAFR) and from City staff. For comparative purposes, FY 2008 CAFR and staff-provided financial information is also included where available.

### 8.2.5.1 Revenues and Expenditures

A comparison of the revenues and expenditures for the City's governmental and proprietary funds is shown in **Table 8.6**.

**TABLE 8.6**  
**CITY OF HAYWARD**  
**COMPARISON OF REVENUE AND EXPENDITURES**  
**FY 2008 AND FY 2015**

	FY 2008	FY 2015
Total Revenue	\$195,919,504	\$242,538,088
Total Expenditures	\$185,272,176	\$217,883,149
<b>Net Surplus/(Deficit)</b>	<b>\$10,647,328</b>	<b>\$24,654,939</b>

In FY 2015, total expenditures for the City of Hayward exceeded \$217.8 million, which represents an increase of approximately \$32.6 million from FY 2008. The Great Recession of 2008–2009 has had a direct and dramatic impact on Hayward's local revenues. Although the City is experiencing stabilization of revenues, not all revenues have returned to pre-recessionary levels.

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and expenditures for the General Fund are shown in **Table 8.7**. General Fund expenditures constituted approximately 58.6% (\$127.8 million) of the total expenditures for FY 2015.

**TABLE 8.7**  
**CITY OF HAYWARD**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Property Tax	\$39,135,339	\$42,128,306
Sales Tax	\$29,233,148	\$39,148,631
Other Taxes	\$20,326,602	\$22,972,560
Utility Users Tax	—	\$15,680,721
Intergovernmental	\$2,133,541	\$7,903,755
Licenses and Permits	\$4,712,325	\$4,976,967
Fees and Charges for Services	\$6,632,463	\$4,902,332
Fines and Forfeitures	\$956,753	\$2,409,793
Other Revenue	\$2,322,143	\$642,997
<b>Total Revenue</b>	<b>\$105,542,314</b>	<b>\$140,766,052</b>
Expenditures by Program		
Public Safety	\$80,643,478	\$96,426,387
General Government	\$11,639,480	\$13,693,279
Planning and Building	—	\$6,491,780
Library and Community Services	—	\$4,677,305
Maintenance Services	—	\$4,490,457
Public Works and Transportation	\$12,566,472	\$2,057,245
Capital Outlay	\$50,750	\$78
Community Development	\$4,625,898	—
Culture and Leisure	\$3,897,701	—
Debt Service	\$89,450	—
<b>Total Expenditures</b>	<b>\$113,513,229</b>	<b>\$127,836,531</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$8,060,915)</b>	<b>\$12,929,521</b>

Total General Fund expenditures have increased by approximately \$14.3 million (13%) since FY 2008. The major expenditure of the City's General Fund is Public Safety (police and fire), which accounts for approximately 75% (\$96.4 million) of the fund's annual expenditure stream.

The major revenues to the City's General Fund are taxes (e.g., property, sales, business licenses, utility users), which comprise approximately 88% of the fund's annual revenue stream. The primary sources of revenue are property and sales taxes, which in FY 2015 were above FY 2008 levels. **Table 8.8** provides a comparison of tax revenues.



**TABLE 8.8**  
**CITY OF HAYWARD**  
**COMPARISON OF TAX REVENUES**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Property Tax	\$38,464,255	\$42,740,159
Sales Tax	\$28,512,340	\$39,148,631
Other Taxes	\$4,933,567	\$6,314,878
Utility Users Tax <sup>1</sup>	\$0	\$15,700,000
Real Property Transfer Tax	\$5,077,214	\$5,710,272
Incremental Property Tax	\$10,729,476	—
Franchise Tax	\$6,166,499	\$10,127,647
Business Tax	\$2,480,696	\$2,634,539
Excise Tax	\$1,931,187	\$2,142,691
Total tax revenue	\$98,295,234	\$124,518,817

<sup>1</sup> On May 19, 2009, City of Hayward voters approved Measure A allowing for the collection of a 5.5% utility users tax to maintain key essential services and prevent further reductions to basic City services.

The City’s sales tax revenue has increased by approximately \$26.2 million (27%) since FY 2008. This increase can be somewhat attributed to the voter-approved Measure C (District Sales Tax), which became effective in October 2014. The City’s property tax revenue has increased by approximately \$3 million (7.7%) since FY 2008, most recently due to changes in assessed valuation and Redevelopment Property Tax Trust Fund distributions.

**8.2.5.2 Debt**

**Table 8.9** summarizes the City’s obligations, debt, and liabilities.

**TABLE 8.9**  
**CITY OF HAYWARD**  
**COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES**  
**FY 2008 AND FY 2015**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$54,175,000	\$35,170,029
Ratio of Direct Debt <sup>1</sup> to Net Assessed Valuation	1.17%	0.23%
Ratio of Combined Debt <sup>2</sup> to Net Assessed Valuation	1.97%	2.94%
Unfunded Pension Liability	\$0	\$284,150,333

<sup>1</sup> General bonded debt

<sup>2</sup> Direct and overlapping debt

Standard and Poor’s suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilized capital investment capacity. The City of Hayward has lowered its general bonded debt since 2008 to approximately \$221 per capita. The ratio of direct

debt to net assessed valuation has decreased since FY 2008, while the ratio for combined debt has increased.

Similar to many cities, the City of Hayward has seen an increase in its reported unfunded pension liability, partially due to Governmental Accounting Standards Board (GASB) 68.<sup>14</sup> The City's unfunded pension liability<sup>15</sup> is approximately 202% of the general fund revenue for FY 2015 (i.e., more than double the general fund revenue would be needed to fully fund the existing pension liability if addressed all in one year). The City has adopted the following policy regarding funding its pension obligations:

Council shall identify appropriate levels to fund portions of each benefit liability considering the associated risk that the unfunded portion of the obligations present to the organization, timing of the liability's ultimate due date and realistic and responsible management of the organization's cash flows. The City's funding plans for unfunded actuarial accrued liabilities should not exceed the parameters established by Generally Accepted Accounting Principles.

### 8.2.5.3 Reserves

City policy requires that General Fund reserves for economic uncertainty and liquidity should be 15% of the annual General Fund operating appropriations. The policy also sets forth a \$10 million reserve goal for disaster-related emergencies to be established over a 10-year planning period. For FY 2015, the unassigned fund balance of the General Fund was \$22.1 million, while the total fund balance was \$39.6 million.

The City of Hayward's unassigned General Fund reserve levels have increased by nearly \$10 million since FY 2008 (**Table 8.10**).

**TABLE 8.10**  
**CITY OF HAYWARD**  
**COMPARISON OF RESERVES**  
**FY 2008 AND FY 2015**

	FY 2008	FY 2015
Unassigned General Fund Reserve Level	\$11,213,927	\$21,000,000
Economic Uncertainty Reserve Fund <sup>1</sup>	\$7,000,000	\$5,000,000

<sup>1</sup> Separate from General Fund Reserve

<sup>14</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports.

<sup>15</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city's General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.

The \$22.1-million unassigned fund balance has been designated for the following purposes: \$5 million for contingencies, \$5 million for economic uncertainty, \$7 million for emergencies, and \$5.1 million for liquidity.

### 8.2.5.4 Fiscal Health Indicators

Overall, the City of Hayward appears to be in fairly positive fiscal health, but may be facing upcoming challenges as shown by the General Fund fiscal indicators in **Table 8.11** and as discussed below.

**TABLE 8.11**  
**CITY OF HAYWARD**  
**GENERAL FUND FISCAL INDICATORS**  
**FY 2008 AND FY 2015**

Indicator	FY 2008	FY 2015
Net Operating Deficit/Surplus	-\$6,959	-\$1,744
Liquidity Ratio <sup>1</sup>	2.8	1.9
Fund Balance as Percent of Expenditures <sup>2</sup>	22%	17%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures

Since FY 2008, the City has reported a deficit in their annual operating General Fund.

The unassigned General Fund Balance exceeds the City's 15% reserve goal. The City has committed approximately \$17 million for economic fluctuations and emergencies.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Standard and Poor's has assigned Hayward a bond rating of AA (high quality).

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). In the case of the City, total assets exceeded total liabilities by \$350.2 million at the close of the current fiscal year, a decrease from the prior year of \$286.7 million due to the implementation of GASB 68.

The largest portion of the City's net position, \$434.4 million, reflects its investment in capital assets (e.g. land, buildings, street infrastructure, sewer and water pipelines, machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

### **8.2.5.5 Financial Reporting**

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end. The City of Hayward published its CAFR for FY 2015 in a timely manner (within 6 months of the fiscal year end). The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

## **8.2.6 Financial Determinations**

### **8.2.6.1 Financial Ability of Agency to Provide Services**

Each year, the City adopts a 10-year Capital Improvement Program (CIP) that includes planned capital projects in the areas of transportation, low-to-moderate-income housing, pedestrian access, utilities, airport, and internal services capital replacements. All these investments in the various areas reflect the City Council's commitment to maintain or improve the City of Hayward and provide the citizens with the highest possible service and level of infrastructure possible given constrained funding. The City's CIP, which for FY 2015 was budgeted at \$82 million in all funds, and over the 10-year planning cycle, the CIP totals \$378 million in project allocations. These projects will improve the economic base of the City as well as improve the safety and reliability of City infrastructure for residents, businesses, and visitors.

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Overall, with a low reserve level and liquidity ratio, continued deficits, as well as a high level of unfunded pension liability, the City of Hayward shows signs of fiscal challenges that may affect its ability to provide services in the future, as well as to accommodate infrastructure expansion, improvements, or replacement, as indicated below.

#### ***Operating General Fund deficit and surplus trends for the past five years***

The City of Hayward reports a five-year trend of deficits in their annual operating general fund. The five-year average deficit decreased from -\$939,000 in FY 2008 to -\$739,000 in FY 2015.

#### ***Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing***

For FY 2015, the City transferred \$1,925,000 from the General Fund reserves to fund capital projects.

***Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year***

As of June 30, 2015 the unassigned general fund balance represented approximately 17% of operating expenditures. The City's fund balance as percent of expenditures meets the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

***Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year***

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. Although the City reported a low liquidity ratio of 1.9, the City has the means to cover its existing obligations in the short-term.

***Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end***

The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

**8.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

***8.2.7.1 Online Availability of City Governance Information***

The City of Hayward website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

***8.2.7.2 Online Availability of City Planning Information***

The City of Hayward website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

***8.2.7.3 Public Involvement***

The City of Hayward website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 8.2.8 Service Review Determinations Summary

**Table 8.12** summarizes the service review determinations discussed throughout Section 8.2.

**TABLE 8.12**  
**CITY OF HAYWARD**  
**SUMMARY OF SERVICE REVIEW DETERMINATIONS**

Determination Area and Criteria	Determination
<b><i>Growth and population projections for the affected area</i></b>	
Projected growth and demographic changes in and around the agency's service areas based on ABAG population projections	ABAG projects that the City's population will grow at an annual rate of 0.9% to a population of 171,800 in 2030. The City of Hayward is also projected to experience a 0.9% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	The City of Hayward does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI. The City does not consult with outside municipal service providers to ensure that the PDAs will receive adequate services at buildout as the City provides these services. The City does consult internally with its service departments and divisions to ensure the City has adequate capacity to provide municipal services to new developments.
<b><i>Location and characteristics of Disadvantaged Unincorporated Communities within or contiguous to the SOI</i></b>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	There are no identified DUCs within or contiguous to the SOI for the City of Hayward.
<b><i>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</i></b>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	The City of Hayward reports that it adequately serves all areas within its municipal and SOI boundaries and anticipates it will continue to do so in the foreseeable future.  As an indication of a need for infrastructure investment, the pavement condition index (PCI) for streets in the City of Hayward was 67 (fair) for 2015, which is well below the target of 75 MTC has established. To help address this infrastructure investment need, the City Council approved the Community Development Block Grant for Promise Neighborhood Street Improvement project in FY 2015, which involves street pavement improvements for various street sections in the Jackson Triangle Area.  When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.
Consistency with capital improvement plans	The City's facilities replacement plan is managed by the Maintenance Services Division, while Public Works oversees the infrastructure improvements plan.

Determination Area and Criteria	Determination
	The top three critical projects are Replacement of Police Station, Replacement of Fire Training Center, and Pavement Rehabilitation of the City's Roadway Network.
Consistency with local and regional land use plans and policies	The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.
<b><i>Financial ability of the agency to provide services</i></b>	
Operating General Fund deficit and surplus trends for the past five years	The City of Hayward reports a five-year trend of deficits in their annual operating general fund.
Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing	For FY 2015, the City transferred \$1,925,000 from the General Fund reserves to fund capital projects.
Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year	The unassigned general fund balance represented approximately 17% of operating expenditures. The City's fund balance as percent of expenditures meets the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.
Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year	Although the City reported a low liquidity ratio of 1.9, the City has the means to cover its existing obligations in the short-term.
Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end	The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.
<b><i>Status of and opportunities for shared facilities</i></b>	
Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas	<p>The City provides an array of municipal services, with the exception of solid waste, utilities, vector control, and some recreation and stormwater services. These services are provided via contract with Alameda County or private vendors. The City provides fire services to Fairview Fire District. There are no recommended improvements in this arrangement. The City does not share facilities or services with other municipalities. No opportunities to share services or facilities were identified as a part of this review.</p> <p>An area of overlapping responsibilities has been identified between the City of Hayward and East Bay Municipal Utility District for water services along Hayward's northern border. These jurisdictions have adopted an agreement specifying which agency will provide services, and LAFCo received a reorganization application from East Bay Municipal Utility District on August 23, 2017, to reflect that agreement. Hayward has also identified an area of overlapping responsibilities with Alameda County Water District along the City's southern boundary. The jurisdictions have not adopted a formal agreement to clarify service provision in the overlap area.</p>

Determination Area and Criteria	Determination
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency’s website	The City of Hayward website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City’s biennial budget; and the City’s annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency’s website	The City of Hayward website provides public access to the City’s general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.
Time and place for public to provide input prior to decision being made	The City of Hayward website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.



## 8.3 Sphere of Influence Review and Determinations

### 8.3.1 Sphere of Influence Recommendation

The SOI for the City of Hayward extends beyond the municipal boundary toward I-238/I-538 to the north and toward Union City to the south (see Figure 8.1). The SOI for the City of Hayward does not include the municipal boundary where it extends to the east to the City of Pleasanton as LAFCo has previously determined that the area outside the SOI does not require Hayward's services. The City is surrounded by the incorporated cities of Fremont, Pleasanton, and Union City, San Francisco Bay, and unincorporated Alameda County.

This report recommends that Alameda LAFCo maintain and reaffirm the existing SOI for the City of Hayward.

### 8.3.2 Sphere of Influence Determinations for the City of Hayward

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 8.13**. These determinations are made as part of the review of the existing SOI and are based on the information in this City of Hayward MSR profile.

**TABLE 8.13**  
**CITY OF HAYWARD**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	The City of Hayward plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including residential, commercial, industrial, open space, and downtown/city center. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (2014).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for the City of Hayward. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
<i>The present and probable future capacity of public facilities and services</i>	The present capacity of public facilities in the City of Hayward appears adequate. The City anticipates it will continue to have adequate capacity during the next five years.
<i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i>	Not all communities of interest within the City's municipal boundary are included within the SOI as the SOI is smaller than the municipal boundary. The unincorporated communities of Castle Homes and Fairview are considered communities of interest because they receive water, sewer, and fire protection services from the City of Hayward.

Criteria	Determination
<p><i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i></p>	<p>The City of Hayward provides structural fire protection and sewer facilities and services within its SOI; water is provided by East Bay Municipal Utility District. There are no DUCs within or contiguous to the SOI for the City of Hayward and therefore no present or probable need for these facilities and services for DUCs.</p>

# Chapter 9

## City of Livermore

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### 9.1 Agency Overview



The City of Livermore, incorporated in 1876, covers an area of 26 square miles. The 2010 U.S. Census Bureau data shows the population as 80,968. The California Department of Finance

estimates the January 1, 2016 population as 88,138.<sup>1</sup> The City has a population density of approximately 3,597 persons per square mile.

The City of Livermore is surrounded by unincorporated Alameda County, and the incorporated cities of Dublin and Pleasanton. Land uses in the City include a mix of residential, mixed use, commercial, industrial, open space, and community facilities. The Sphere of Influence (SOI) for the City of Livermore extends slightly to the north, east, and south of the municipal boundary, as shown in **Figure 9.1**.

The municipal services considered in this review that are provided by the City of Livermore include: animal control, fire and emergency response, law enforcement, library, lighting, planning/building, and streets. Other services, such as solid waste, are provided under contract with other service providers.

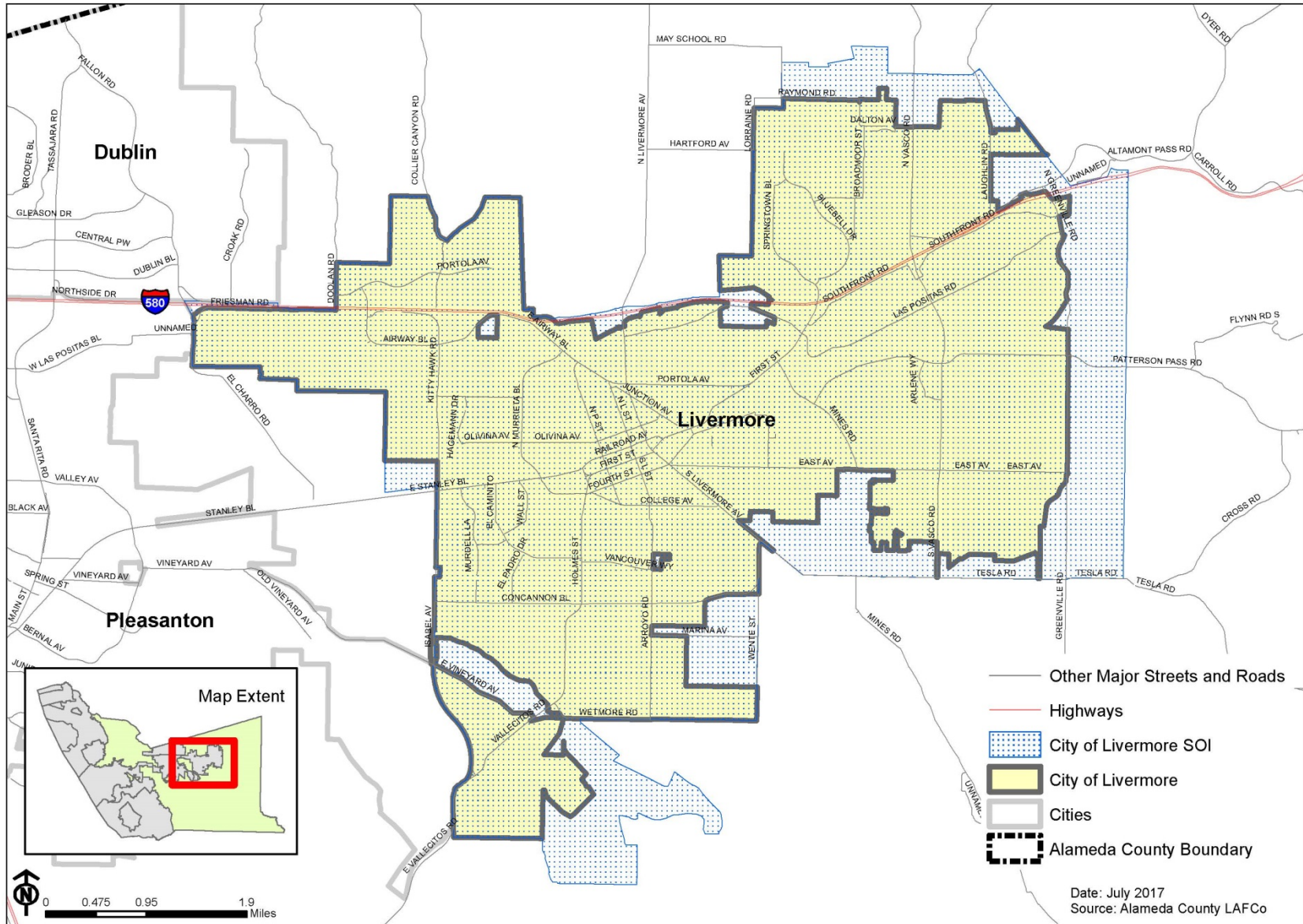
#### 9.1.1 City Staffing

Total City staffing for fiscal year (FY) 2015 included 453.88 full-time equivalent (FTE) employees.<sup>2</sup> **Table 9.1** shows the four service areas with the highest staffing levels.

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<sup>1</sup> This MSR Update uses January 1, 2016 population data for all cities. Upon review of this chapter, the City of Livermore noted that its January 1, 2017 population is 89,648, which results in a population density of 3,448 persons per square mile.

<sup>2</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 9.1. City of Livermore Municipal Boundary and Sphere of Influence**

**TABLE 9.1**  
**CITY OF LIVERMORE**  
**HIGHEST STAFFING LEVELS BY SERVICE AREA**

Service Area	FY 2015 FTE
Police	141.75
Community Development	63.50
Fire	58.88
Water Resources	48.50

Source: City of Livermore Comprehensive Annual Financial Report 2015.

Similar to other cities in Alameda County, the police function had the highest staffing level in the City of Livermore, with 141.75 FTE employees.

### 9.1.2 Form of Government

The City of Livermore is a general law city operating under a council-manager form of government. The City Council consists of five members, including the Mayor; members serve four-year terms, and the elected Mayor serves a two-year term.

### 9.1.3 Joint Powers Authorities

The City of Livermore is a member of the Joint Powers Authorities (JPAs) listed in **Table 9.2**.

**TABLE 9.2**  
**CITY OF LIVERMORE**  
**JOINT POWERS AUTHORITY MEMBERSHIP**

Joint Powers Authority	Service
Livermore Capital Projects Financing Authority	established between the City of Livermore and former Livermore Redevelopment Agency. The Livermore Capital Projects Financing Authority (LCPFA) is a separate legal entity controlled by and dependent upon the City, which provides accounting services and performs all its administrative functions. The City Council serves as the governing board of the LCPFA.
Livermore-Pleasanton Fire Department	provides fire suppression and emergency medical services to the neighboring cities of Livermore and Pleasanton. The organization uses a JPA model with essential support services provided by both cities, and this partnership promotes more efficient administration and effective delivery of services.
East Bay Community Energy Authority	East Bay Community Energy is a joint powers authority that aggregates electricity demand within participating Alameda County jurisdictions in order to procure more sustainable electricity for its customers.
Alameda County Congestion Management Program	formed in 1991 by a joint exercise of powers agreement between the County and cities of Alameda for the purpose of preparing, implementing and administering a traffic congestion management plan pursuant to California Government Code section 66531.
Livermore Amador Valley Transit Authority	Livermore Amador Valley Transit Authority (LAVTA) was established in 1985 under a Joint Powers Agreement to provide public transit in the cities of Dublin, Livermore, Pleasanton, and in unincorporated areas of Alameda County. LAVTA is governed by a seven member Board of Directors.
Livermore-Amador	created in 1974 by the cities of Livermore and Pleasanton and the Dublin San Ramon

Joint Powers Authority	Service
Valley Water Management Agency	Services District for the purpose of discharging their treated wastewater to San Francisco Bay. Operations began in September 1979 with expansions in 1983, 1987 and 2003 bringing it to its current maximum discharge capacity of 41.2 mgd. The wastewater is conveyed via a 16-mile pipeline from Pleasanton to San Leandro and enters the East Bay Dischargers Authority system for dechlorination and discharge through a deepwater outfall to the San Francisco Bay.
Tri-Valley Transportation Council	formed pursuant to a Joint Exercise of Powers Agreement establishing the Tri-Valley Transportation Council (TVTC), among the County of Alameda, the County of Contra Costa, the City of Livermore, the City of Pleasanton, the City of San Ramon, the City of Dublin, and the Town of Danville. The TVTC periodically evaluates the impacts of projected land uses on regional transportation infrastructure in the Tri-Valley area. The TVTC oversees the expenditures of the Tri-Valley Transportation Development Fund.

Source: City of Livermore CAFR, 2015

### 9.1.4 Awards and Recognition

**Table 9.3** lists the awards the City of Livermore has reported receiving since the 2008 Municipal Service Review (MSR) update.

**TABLE 9.3**  
**CITY OF LIVERMORE**  
**AWARDS**

Award	Issuer	Year(s) Received
Certificate of Achievement for Excellence in Financial Reporting	Government Finance Officers Association	2012 – 2016
Distinguished Budget Presentation Award	Government Finance Officers Association	2012 – 2015
Engineering Excellence Award Competition National Recognition Award for Isabel Avenue (SR84)/I-580 Interchange	American Council of Engineering Companies	2013
Special Award for Motorcycle Safety	California Highway Patrol and Office of Traffic Safety	2013, 2014
Award of Merit in Promotion	California Association of Local Economic Development	2014
Special Award for Child Passenger Safety	California Highway Patrol and Office of Traffic Safety	2014
Recognition for Impaired Driving Enforcement Efforts	Mothers Against Drunk Drivers	2014
Tree City USA Designation	Arbor Day Foundation	2016 (23 consecutive years)
Blue Seal of Excellence Award for Fleet Services	National Institute of Automotive Services	2016 (12 consecutive years)
Best Traffic Safety Program for Agencies with 71-85 Officers	California Highway Patrol and Office of Traffic Safety	2014 (6 consecutive years)
Veteran's Home Ownership Excellence in Workplace Housing	Silicon Valley Leadership Group - Turning Red Tape into Red Carpet Award	2015
Voice of the People Award for Transformation in Foundations of Livability Winner	The National Citizen Survey	2015

<b>Award</b>	<b>Issuer</b>	<b>Year(s) Received</b>
2015 FEMA Award	National Flood Insurance Program Recognition	2015
Government Leadership Award – Tri Valley Intergovernmental Reciprocal Services Agreement	CALAFCO	2015
National Association of Town Watch Recognition	National Association of Town Watch	2016
Achievement of Excellence in Procurement	National Association of Town Watch	2016
Collection System of the Year Award for Medium Sized Systems	National Association of Town Watch	2016
Outstanding Achievement in Popular Annual Financial Reporting	Government Finance Officers Association	2016

Source: City of Livermore

## 9.2 Service Review Determinations

The purpose of this MSR is described in Chapter 1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR update, the following analysis informs the determinations which have been prepared for the City of Livermore.

### 9.2.1 Growth and Population Projections

According to the 2016 California Department of Finance estimates, the City of Livermore serves 88,138 residents within its municipal boundary.

#### 9.2.1.1 *Projected Growth and Demographic Changes*

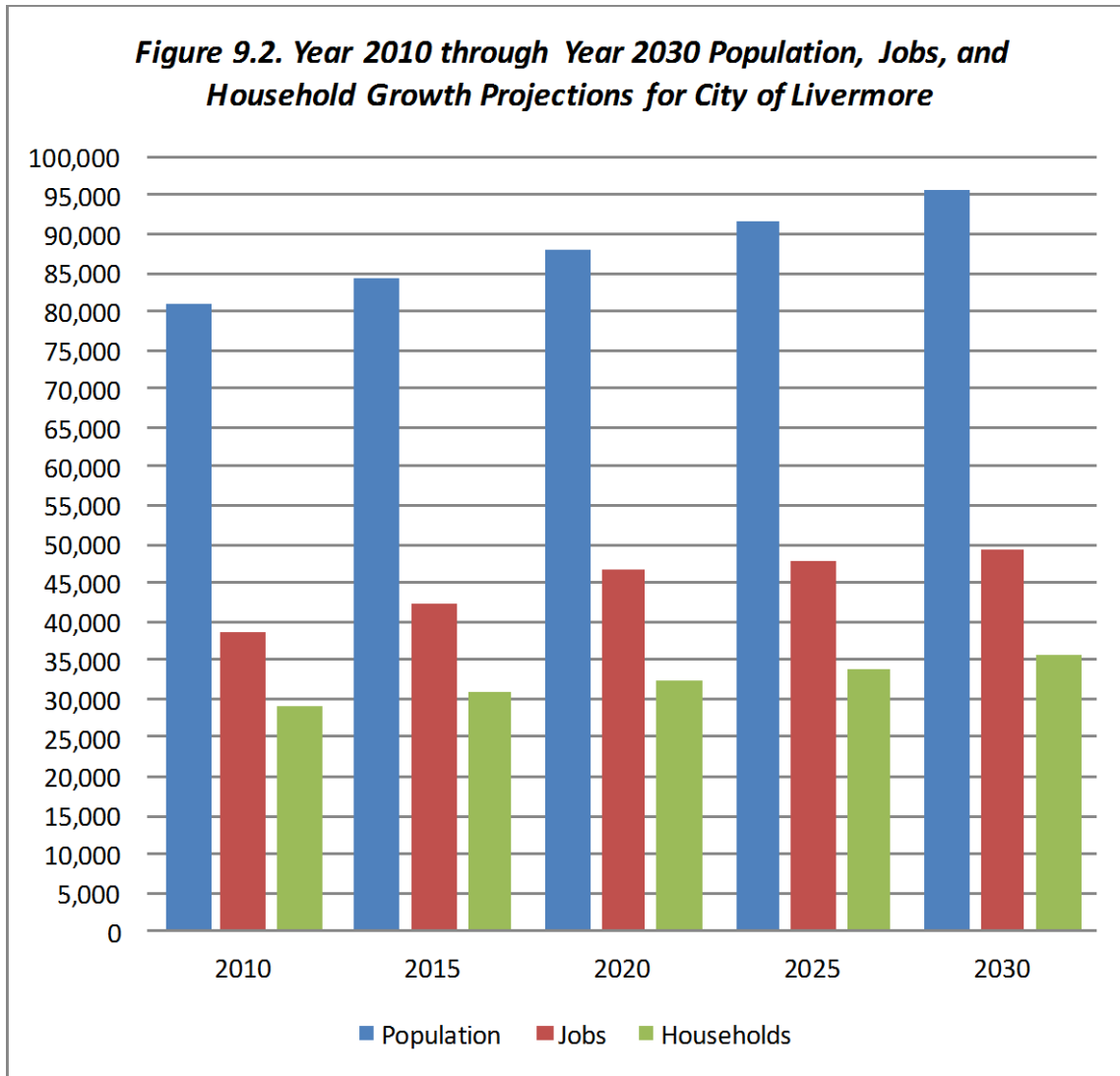
As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>3</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes 30-year growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for the City of Livermore are depicted in **Figure 9.2**.

ABAG projects that the City's population will grow at an annual rate of 0.8% to a population of 95,600 in 2030. The City of Livermore is also projected to experience a 1.2% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.

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<sup>3</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.





**Jobs and Housing**

According to ABAG Bay Area Census data<sup>4</sup> for 2010, the City of Livermore has 40,548 employed residents. The ABAG and MTC jobs forecast estimates 38,450 jobs in the City, with approximately 0.95 job for every employed resident. ABAG estimates that the City of Livermore has 30,342 housing units, which results in a job/housing balance of 1.33. The number of owner-occupied units in the City is greater than the number of renter-occupied housing units (**Table 9.4**), indicating that the rate of homeownership exceeds the rental household rate.

<sup>4</sup> ABAG Bay Area Census data are derived from US Census data specific to the Bay Area.

**TABLE 9.4**  
**CITY OF LIVERMORE**  
**HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	20,399
Renter-occupied housing units	8,735
Other <sup>1</sup>	1,208
Total existing housing units	30,342
<b>Regional Housing Need Allocation by Income Category 2014-2022</b>	
Above moderate	920
Moderate	496
Low	474
Very low	839
<i>Total Regional Housing Need Allocation</i>	<i>2,729</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their housing element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>5</sup> The City of Livermore was assigned a RHNA of 2,729 units, as shown in Table 9.4.

The City adopted its General Plan in 2004 and its Housing Element in March 2015. The City has identified three potential PDAs for infill development, including housing. The City's 2015–2023 Housing Element identifies adequate sites, anticipated to yield 4,425 units, which are appropriately zoned to address the affordable housing demand. The City anticipates meeting and exceeding its 2014-2022 assigned RHNA. The City's Housing Element has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *Planning for an Aging Population*

The number of adults age 50 and older in Alameda County is projected to increase approximately 60% by 2030, growing from 449,754 in 2010 to 701,000, representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>6</sup>

The City of Livermore provides the following programs for their seniors:

- Senior Support Program of the Tri-Valley
- Multi-family rental complexes for seniors (Tri-Valley Affordable Rental Housing Guide)

<sup>5</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>6</sup> Year 2010–2030 ABAG projections.

- Housing rehab loan and grant programs
- Legal Assistance for Seniors
- Spectrum Meals on Wheels Program
- Senior Program at Livermore Area Recreation and Park District
- Community Resources for Independent Living

In addition, the City has approved the 2015-2019 Community Development Block Grant Program/ HOME Investment Partnerships Program Consolidated Plan and the 2015-2016 Action Plan which address the needs of the senior population.

### *9.2.1.2 Anticipated Growth Patterns*

The City of Livermore reported approximately 616 entitled residential acres and approximately 535.25 undeveloped entitled residential acres in FY 2015.

There are numerous projects identified as part of the 2016–2021 projected growth for the City, including 1,376 dwelling units and over 2,325,789 commercial square feet. These projects are either approved or in the approval process.

PDAs, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. Three PDAs have been identified for the City of Livermore in Plan Bay Area. The Downtown, East Side, and Isabel Avenue/BART Station Planning Area PDAs are characterized as suburban centers. The City consults with outside municipal service providers to ensure that the PDAs will receive adequate services at buildout.

The Downtown PDA consists of 272 acres located near the geographic center of the City of Livermore. The PDA is Livermore’s historic downtown area, located about 1.5 miles south of Interstate 580. The Downtown Livermore Specific Plan identifies a downtown core area, downtown transit and boulevard gateway areas to the east and west of the core, and downtown neighborhood areas to the north and south. The PDA includes the Livermore ACE train station and the Livermore Amador Valley Transit Authority bus depot, and includes up to 3,600 dwelling units at buildout in 2040.

The East Side PDA is bound on the north by I-580, west by Vasco Road, south by the City Limit Line, east by the City Limit Line and Urban Growth Boundary. The Brisa Neighborhood Plan (2006) is under development and includes 465 dwelling units. Development plans for the Arroyo Vista Neighborhood Plan (2007) were recently approved and include 435 dwelling units at buildout.

The Isabel Avenue/BART Station Planning Area PDA covers approximately 1,100 acres in the northwest part of the city surrounding the Isabel Avenue interchange. The Isabel Neighborhood Plan, which is being developed, currently projects 4,290 dwelling units at buildout in 2040.

Priority Conservation Areas (PCAs), which are areas of regionally significant open space facing development pressure, also help form the implementing framework for Plan Bay Area. The South

Livermore Valley PCA is in the City of Livermore and consists of undeveloped land outside the City's urban growth boundary in unincorporated Alameda County. The PCA provides an open space separation between the cities of Livermore and Pleasanton and supports an array of agricultural uses. These lands serve as important wildlife habitat and corridors, buffer waterways and regional parks and protected areas.<sup>7</sup> The North Livermore PCA covers open space lands north of Livermore. These lands support a variety of wildlife habitats as well as agriculture and provides an open space separation between Livermore and Dublin.

The City of Livermore does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI in the next five years.

## **9.2.2 Boundaries, Islands, and Disadvantaged Unincorporated Communities**

The City of Livermore's SOI extends beyond its current municipal boundary as shown on Figure 9.1.

As noted in Chapter 1, the potential exists to modify the SOI for the City of Livermore to include an area near Doolan Canyon Road. In 2011, the City sought to amend its SOI to include approximately 3,000 acres in the Cottonwood Creek watershed near Doolan Canyon Road.

The City of Livermore provides sewer services to an area outside its municipal boundary and outside its SOI in the Vasco Road area.

The City does not indicate any anticipated changes to its SOI within the next five years. However, a quarry operator located in the SOI expansion area near Stanley Boulevard on the western side of the City has requested in past years that LAFCo remove this area from Livermore's SOI and add it to the City of Pleasanton's SOI. Currently, land uses in this area remain primarily in quarry operations. In March 2009, LAFCo approved the detachment from the City of Livermore of a sliver parcel located on the western side of this SOI area. The SOI area appears to be located within Livermore's voter-approved Urban Growth Boundary and be pre-zoned Open Space.

Additionally, several years ago, property owners along Doolan Road attended a LAFCo meeting to express the need for water services. The City of Livermore held preliminary discussions with the property owners about the infrastructure costs and logistics to provide water services in that area, but no other steps have been taken.

There are two unincorporated islands in the City of Livermore (see Figure 9.1). The City is actively working to annex the approximately 9.34-acre unincorporated area at Arroyo Road and Pleasant

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<sup>7</sup> Alameda County Transportation Commission. Alameda County PDA Investment and Growth Strategy, March 2013.

View Lane. Recent annexations in 2011 include the Lawrence Livermore National Laboratory (627 acres) and the Sandia National Laboratory (390 acres) located on the east side of Livermore.

**9.2.2.1 Disadvantaged Unincorporated Communities**

There are no identified DUCs within or contiguous to the SOI for the City of Livermore and therefore, no DUCs are relevant to this analysis.

**9.2.3 City Services Overview**

As noted in Section 9.1 and as shown in **Table 9.5**, municipal services for the City of Livermore are provided by City staff, via JPA, and under contract with other service providers. Aside from the municipal golf course facilities, the City does not provide recreation and leisure services—these are provided to citizens by the Livermore Area Recreation and Park District, a special district governed by a separately elected board. Municipal services considered in this update are discussed individually below. Stormwater, water, and wastewater services will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

**TABLE 9.5  
CITY OF LIVERMORE  
MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	City of Livermore	East County Animal Shelter
Fire and Emergency Response	City of Livermore	Alameda County Fire Department
Law Enforcement	City of Livermore	—
Library	City of Livermore	—
Lighting	City of Livermore	—
Parks and Recreation	—	Livermore Area Recreation and Parks District, and East Bay Regional Park District
Planning/Building	City of Livermore	—
Solid Waste	—	Livermore Sanitation
Stormwater	City of Livermore	Alameda County Flood Control Zone 7
Streets	City of Livermore	Caltrans
Utilities:		
Electricity	—	Pacific Gas & Electric
Gas	—	Pacific Gas & Electric
Broadband	—	Comcast, AT&T, Sonic.net
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Mosquito Abatement District
Water	City of Livermore	CAL Water Service Company
Wastewater	City of Livermore	Livermore-Amador Valley Waste Management Agency

Source: City of Livermore

In the years since the 2008 MSR update, the City has reduced some municipal services and increased others as discussed below. The City has not discontinued any municipal services since the 2008 MSR.

In 2009, the Rincon Branch Library was open 6 days per week for a total of 51 hours per week; in 2010, this was reduced to 3 days per week for a total of 23 hours per week. In 2009, the Springtown Branch Library was open 6 days per week for a total of 51 hours per week; in 2010, this was reduced to one day per week for a total of 8 hours per week. In 2013, the hours were increased to 1.5 days per week for a total of 11 hours per week of full service, in addition to 84 hours per week of self-service access through the Easy Access Library.

In response to the library service cuts and as a measure to increase service efficiencies, the City opened the Easy Access Library, which provides self-service access to the community for 84 hours a week. The Easy Access Library, located in the Springtown branch building, is open from 8 a.m. to 8 p.m., 7 days a week, and is accessed via a secure key card entry when the Springtown branch is not staffed. The Easy Access Library provides holds lockers, secured DVD lending, and the ability to check out and return children's and adult books and magazines.

In an attempt to reduce its solid waste disposal rate, the City of Livermore has instituted the following efforts since the 2008 MSR update:

- Held paper shredding events
- Extended producer outreach – new mattress regulations (SB 254)
- Expanded polystyrene ban – Chapter 8.20 of the City's Municipal Code
- Adopted mandatory recycling for both recyclable and organic materials
- Developed "Pizza Box" and "Take Out Two Step" campaigns to raise awareness of food waste and food soiled paper recycling
- Created LivermoreRecycles.com website to promote recycling

The City procured a new solid waste and recyclable materials agreement and began implementing new and improved services. The City also amended their disposal agreement to encourage more accurate jurisdiction of origin reporting.

In 2014, the Livermore Water Resources Division began providing free recycled water to residents as a supplemental water supply to keep landscaping alive despite mandatory watering restrictions in place during the drought. Residents were issued permits and were allowed to come and pick up a maximum of 300 gallons per trip from the City's Water Reclamation Plant. The City of Livermore distributed approximately 5 million gallons of recycled water to residents via the give-away program in 2015. This program ceased in 2016.

The City of Livermore reports the following opportunities and challenges related to its provision of municipal services:

**Opportunities**

- Addition of BART to Livermore
- Development of Downtown Core properties
- Development of remaining parcels in the El Charro Specific Plan Area

**Challenges**

- Funding for infrastructure maintenance and replacement
- Labor costs increasing at higher rate than revenues
- Staffing levels not aligned with continued growth

A summary of the City's municipal service level statistics for FY 2015 is provided in Table A.8 of **Attachment A**.

*9.2.3.1 Animal Control, Vector Control*

The City of Livermore and East County Animal Shelter are the animal control service providers. As a division of the City's Police Department, Animal Control enforces City animal ordinances regarding pets and other animals. FY 2015 expenditures were \$624,235.

For 2015, 23 dog licenses were issued per 1,000 population for a total of 1,602 licenses. The number of animals handled in 2015 was 736 and 6,088 calls for service were received.

Throughout Alameda County, and including the City of Livermore, vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, including the City of Livermore.

*9.2.3.2 Fire and Emergency Response*

The City of Livermore provides fire protection services through the Livermore Pleasanton Fire Department JPA. In addition, the Alameda County Fire Department staffs one station that serves the Lawrence Livermore National Laboratory site in Livermore. City expenditures for public safety, which includes fire protection and law enforcement, were approximately \$48.1 million in FY 2015.

There were 7,431 reported calls for fire and emergency response service in 2016. Average fire and emergency response time in 2016 was 5:55. Average response time was 5 minutes in 2008. The National Fire Protection Association standard requires fire and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>8</sup> The Livermore-Pleasanton Fire Department has adopted a seven minute overall response time for all emergency calls on city streets. The overall response time includes call taker time through arrival on scene time. The goal is to meet this standard in 90% of all emergency calls. In 2016, the department met this standard in 85% of emergency calls for service.

The Fire Administrative Offices and the five fire stations are reported to be in good condition. The City recently rebuilt Station #9 on Cordoba Street to current operational standards. Fire Department vehicles and apparatus are maintained in good working order, with vehicle replacement occurring on a planned schedule.

### ***9.2.3.3 Law Enforcement***

The City of Livermore provides law enforcement and dispatch services, responding to emergency calls for service, enforcing state and local laws, and crime prevention through public education. Public safety expenditures, which include law enforcement, were approximately \$48.1 million for FY 2015. Public safety expenditures account for 46% of General Fund expenditures.

The City of Livermore has 1.0 FTE sworn personnel per 1,000 population, which represents a slight decrease from 1.3 FTE in 2008. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>9</sup> There were 30.4 crimes per sworn FTE in 2015. The property crime clearance rate (a measure of crimes solved) was 7% in 2015, while the violent crime clearance rate was 60%.<sup>10</sup>

The Police Station is about 25 years old, well maintained and continues to meet operational needs. The fleet of police vehicles is well maintained and vehicles are replaced regularly.

### ***9.2.3.4 Library***

The City of Livermore provides library services within the City, with three locations—the Civic Center Library, the Rincon Library, and the Springtown Library. The Livermore Public Library

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<sup>8</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

<sup>9</sup> National Sources of Law Enforcement Employment Data. April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

<sup>10</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.



circulates books and other educational materials; provides public meeting rooms, wireless Internet access, and public computers; and offers a variety of educational and cultural enrichment programs for all ages. Services are provided from the main Civic Center Library, two small branch libraries, and an online digital library. City expenditures for library services were \$49.70 per capita (approximately \$4.4 million) in FY 2015.

Average circulation per capita was 9.17 items in 2015 and 0.94 public access computer was provided per 1,000 population.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>11</sup> Select statistical data for the most recent year (FY 2014/2015) is provided in this MSR Update for comparative purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY2014/2015.

### ***9.2.3.5 Lighting and Streets***

Lighting (street and traffic) is provided and maintained by the City of Livermore. City expenditures for lighting were approximately \$1.3 million in FY 2015—\$450,725 for signalized intersections and \$850,000 for street lights. This represents approximately \$4,887 per street mile.

The City of Livermore provides and maintains 630 street miles and 20 Class 1 bike lane miles. FY 2015 expenditures for streets were \$19.5 million.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in the City of Livermore was 78 (good) in 2009.<sup>12</sup> Pavement in the good (70-79) range requires mostly preventive maintenance and shows only low levels of distress. The PCI decreased to 77 in 2015, but remains above the target PCI of 75 MTC has established.<sup>13</sup>

### ***9.2.3.6 Parks and Recreation***

The Livermore Area Recreation and Parks District is the primary service provider for parks and recreation, managing over 25 neighborhood parks, recreation facilities and trails. Cayetano Park in north Livermore is the newest park. The City of Livermore did not report any FY 2015 expenditures for parks and recreation.

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<sup>11</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lids/librarystats.html>

<sup>12</sup> 2008 data were not available

<sup>13</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. The City of Livermore's level of service standard is 5 acres per 1,000 new residents.

### *9.2.3.7 Planning and Building*

The City of Livermore Community Development Department provides planning and building services, including land use planning, public infrastructure design, protection of public health and safety related to development and transportation, elimination of blight, development of affordable housing, and delivery of targeted human services to low-income families, seniors, children, the homeless, and those with special needs. FY 2015 expenditures were \$4,815,128.

The City issued 3,603 residential and 356 commercial building permits. Total building permit valuation in FY 2015 is estimated at \$333.4 million. The adopted planning documents reported by the City are listed in **Attachment B**.

### *9.2.3.8 Solid Waste*

Solid waste services are provided to the City of Livermore by Livermore Sanitation. Livermore Sanitation transports solid waste collected from the City of Livermore to the Vasco Road Sanitary Landfill. City expenditures for solid waste disposal were approximately \$22.1 million in FY 2015.

The City reported 0.76 ton of waste disposed per capita for FY 2015, and a total diversion rate of 0.75. The FY 2015 per resident disposal rate was 4.1 pounds/resident/day.

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

### *9.2.3.9 Utilities and Broadband*

Pacific Gas & Electric provides gas and electricity services to the City of Livermore. The City coordinates with Pacific Gas & Electric and other utilities regarding the location of underground pipelines through the Underground Service Alert notification system. Livermore is a member of recently formed East Bay Community Energy Authority.

The City does not provide public broadband service. XFINITY from Comcast, AT&T U-verse, and Sonic.net each offer internet access to the city. These providers use a variety of wired technologies including cable and DSL. The City of Livermore did not indicate concerns about the availability or reliability of high-speed internet services. The California Public Utilities Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report card for 2013. The City of Livermore received a grade of C, which indicates that internet service providers meet the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.<sup>14</sup>

The City did not indicate concerns about the ability of utility service or broadband providers to serve its existing or growing population.

## **9.2.4 City Services Determinations**

### ***9.2.4.1 Present and Planned Capacity of Facilities, Adequacy of Public Service***

As noted above, there are no DUCs within or contiguous to the City's SOI.

Average fire and emergency response time was 5:55 in 2015, which does not meet the NFPA standard of 5 minutes.

The City of Livermore reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.

#### ***Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs***

When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

Meeting infrastructure maintenance needs, however, presents a challenge for the City. The City of Livermore is developing a comprehensive infrastructure repair and maintenance plan so that adequate resources are available when needed.

#### ***Consistency with Capital Improvement Plans***

The City has completed asset management programs for wastewater and sewer enterprise programs and is currently working on asset management for all general fund infrastructure. The two-year capital improvement plan includes the following highest priority projects from the various asset management programs: wastewater treatment rehabilitation and process improvements, wastewater treatment plant electrical distribution system, recoating of building exteriors at civic center.

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<sup>14</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www. bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).

### *Consistency with Local and Regional Land Use Plans and Policies*

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

#### *9.2.4.2 Status and Opportunities for Shared Facilities*

The sharing of municipal services and facilities involves centralizing functions and facilities. Municipalities will collaborate through joint-use and shared services agreements for the joint provision of public services and joint use of public facilities as a way to save resources.

#### *Current Shared Services*

The City provides an array of municipal services, with the exception of recreation, solid waste, utilities, and vector control services. These services are provided via contract with public or private vendors. The City shares fire services and special weapons and tactics services with the City of Pleasanton. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

#### *Duplication of Existing or Planned Facilities*

This review did not identify any duplication of existing or planned facilities.

#### *Availability of Excess Capacity*

No excess service or facility capacity was identified as part of this review.

## **9.2.5 Financial Information**

This section provides an overview of the City's financial health and provides a context for assessing the City's financial ability to provide services.

Key FY 2015 financial information for City of Livermore municipal operations is discussed below. The information in this section has been obtained from the audited 2015 Comprehensive Annual Financial Report (CAFR) and from City staff. For comparative purposes, FY 2008 CAFR and staff-provided financial information is also included where available.

### *9.2.5.1 Revenues and Expenditures*

A comparison of the revenues and expenditures for the City's governmental and proprietary funds is shown in **Table 9.6**.

**TABLE 9.6**  
**CITY OF LIVERMORE**  
**COMPARISON OF REVENUE AND EXPENDITURES**  
**FY 2008 AND FY 2015**

	FY 2008	FY 2015
Total Revenue	\$175,132,015	\$188,580,829
Total Expenditures	\$152,083,580	\$137,204,841
<b>Net Surplus/(Deficit)</b>	<b>\$23,048,435</b>	<b>\$51,375,988</b>

In FY 2015, total expenditures for the City of Livermore exceeded \$137.2 million, which represents a decrease of approximately \$14.8 million from FY 2008.

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and expenditures for the General Fund are shown in **Table 9.7**. General Fund expenditures constituted approximately 62% (\$85.3 million) of the total expenditures.

**TABLE 9.7**  
**CITY OF LIVERMORE**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Sales Tax	\$19,338,334	\$27,278,151
Taxes and Special Assessments	\$34,862,568	\$26,168,872
Other Taxes	—	\$13,587,065
Charges for Services	\$8,371,836	\$10,463,545
Intergovernmental	\$7,629,992	\$8,209,667
Licenses and Permits	\$2,324,087	\$2,919,585
Use of Money and Property	\$5,432,735	\$2,504,350
Miscellaneous and Contributions	\$1,200,203	\$1,336,140
Fines and Forfeitures	\$680,340	\$474,279
<b>Total Revenue</b>	<b>\$79,840,095</b>	<b>\$92,941,654</b>

Type	FY 2008	FY 2015
Expenditures by Program		
General Government	\$12,473,775	\$30,839,062
Fire	\$24,731,718	\$16,392,361
Police	\$14,976,861	\$13,759,574
Community and Economic Development	—	\$13,713,557
Public Works	\$7,175,388	\$5,523,651
Library	\$4,859,894	\$4,381,725
Capital outlay	\$1,009,144	\$657,902
Community Development	\$13,838,255	—
Economic Development	\$315,836	—
<b>Total Expenditures</b>	<b>\$79,380,871</b>	<b>\$85,267,832</b>
<b>Net Surplus/(Deficit)</b>	<b>\$459,224</b>	<b>\$7,673,822</b>

The major expenditure of the City's General Fund is Personnel Services and Benefits, which accounts for 76% of the fund's annual expenditure stream.

The major revenues to the City's General Fund are taxes (property, sales, business licenses, and transient occupancy), which comprise approximately 47% of the fund's annual revenue stream. The primary source of revenue is sales tax, which in FY 2015 was \$16.6 million above FY 2008 levels. **Table 9.8** provides a comparison of tax revenues.

**TABLE 9.8**  
**CITY OF LIVERMORE**  
**COMPARISON OF TAX REVENUES**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Sales Tax	\$19,338,334	\$27,278,151
Property Tax	\$24,511,974	\$26,168,872
Business License Tax	\$3,870,846	\$4,487,000
Transient Occupancy Tax	\$1,728,912	\$2,570,406
Total tax revenue	\$49,450,066	\$60,504,429

The City's property tax revenue has increased by \$1.7 million (7%) since FY 2008. This increase can be somewhat attributed to the housing market recovery after the Great Recession of 2008–2009.

9.2.5.2 Debt

Table 9.9 summarizes the City’s obligations, debt, and liabilities.

**TABLE 9.9**  
**CITY OF LIVERMORE**  
**COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES**  
**FY 2008 AND FY 2015**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$0	\$0
Ratio of Direct Debt <sup>1</sup> to Net Assessed Valuation	0.6%	0.5%
Ratio of Combined Debt <sup>2</sup> to Net Assessed Valuation	3%	2.5%
Unfunded Pension Liability	\$33,165,807	\$107,058,580

<sup>1</sup> General bonded debt

<sup>2</sup> Direct and overlapping debt

Standard and Poor’s suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilized capital investment capacity. The City of Livermore has no general bonded debt. The ratio of direct debt to net assessed valuation is low, while the ratio for combined debt is slightly higher.

Similar to many cities, the City of Livermore has seen an increase in its reported unfunded pension liability over time, partially due to Governmental Accounting Standards Board (GASB) 68.<sup>15</sup> The City’s unfunded pension liability<sup>16</sup> is approximately 115% of the general fund revenue for FY 2015 (i.e., more than the total general fund revenue would be needed to fully fund the existing pension liability if addressed all in one year). The City does not have a formal policy to address funding pension obligations; however, they have historically paid the actuarial required contribution to the California Public Employees' Retirement System and will continue to do so.

9.2.5.3 Reserves

The City’s General Fund Financial Stabilization Operating Reserve is set at 15% of budgeted operating expenditures plus debt service transfers to be used in a catastrophic event or in a major emergency or in periods of severe fiscal crisis. The General Fund Economic Uncertainty Reserve is set at 13.5% of budgeted operating expenditures plus debt service transfers. Minimum unassigned fund balance is set at 1.5% of the budgeted operating expenditures plus transfers for the debt service.

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<sup>15</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports.

<sup>16</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city’s General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.

For FY 2015, the Committed Financial Stabilization Operating reserve of \$12,897,711 met the minimum level of 15% expenditures plus debt service transfers. The Assigned Economic Uncertainty reserve of \$8,598,474 also met the 10% target. The Unassigned fund balance of approximately \$10.4 million (**Table 9.10**) is 12.1% of the budgeted operating expenditures plus debt service transfers, exceeding the unassigned fund balance goal of 1.5%.

**TABLE 9.10**  
**CITY OF LIVERMORE**  
**COMPARISON OF RESERVES**  
**FY 2008 AND FY 2015**

	FY 2008	FY 2015
Unassigned General Fund Reserve Level	—	\$1,289,771
Economic Uncertainty Reserve Fund <sup>1</sup>	\$13,752,000	\$21,496,185

<sup>1</sup> Separate from General Fund Reserve

### 9.2.5.4 Fiscal Health Indicators

Overall, the City of Livermore appears to be in positive fiscal health, as shown by the General Fund fiscal indicators in **Table 9.11**.

**TABLE 9.11**  
**CITY OF LIVERMORE**  
**GENERAL FUND FISCAL INDICATORS**  
**FY 2008 AND FY 2015**

Indicator	FY 2008 Value	FY 2015 Value
Net Operating Deficit/Surplus	- \$826,975	\$5,042,084
Liquidity Ratio <sup>1</sup>	8.2	7.2
Fund Balance as Percent of Expenditures <sup>2</sup>	44%	42%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures

Since FY 2008, the City has reported a surplus in their annual operating General Fund.

The Unassigned fund balance of approximately \$10.4 million exceeded the unassigned fund balance goal of 1.5% of the budgeted operating expenditures plus transfers. The City has committed \$8.6 million for economic fluctuations and emergencies.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Standard and Poor's assigned Livermore a bond rating of A+ (upper medium grade), and the City reports that it maintains an AA rating for FY 2015.



Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). In the case of the City of Livermore, the net position was \$285.6 million for FY 2015, an increase of \$43.0 million over 2014 restated balance of \$242.5 million. The primary reason for this increase in the overall net position of governmental activities is the result of current year's governmental revenues exceeding the expenses by \$43 million. By far, the largest portion of the City's net position (82% or \$424 million) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. An additional portion of the City's net position (12% or \$61.9 million) represents resources that may be used only to construct specified capital projects, for debt service, special revenue programs or special assessment districts. The restrictions on these funds were placed there by outside agencies and are not subject to change by the City. The remaining balance of \$32.5 million is unrestricted and may be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions.

#### ***9.2.5.5 Financial Reporting***

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end. The City of Livermore published its CAFR for FY 2015 in a timely manner (within 6 months of the fiscal year end). The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

### **9.2.6 Financial Determinations**

#### ***9.2.6.1 Financial Ability of Agency to Provide Services***

The City's FY 2015-17 budget includes increased funding for the Capital Improvement Plan.

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Overall, the City of Albany appears to have sufficient financial resources to continue providing services, as well as to accommodate infrastructure expansion, improvements, or replacement, as indicated below.

#### ***Operating General Fund deficit and surplus trends for the past five years***

The City of Livermore reports a five-year trend of surplus in their annual operating general fund. The five-year average surplus increased from \$746,474 in FY 2008 to \$1,966,187 in FY 2015.

***Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing***

For FY 2015, there were transfers of \$280,000 from the General Fund to fund capital projects.

***Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year***

As of June 30, 2015 the unassigned general fund balance represented approximately 42% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

***Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year***

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 7.2, which indicates the City has the means available to cover its existing obligations in the short-term.

***Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end***

The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

**9.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

***9.2.7.1 Online Availability of City Governance Information***

The City of Livermore website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

***9.2.7.2 Online Availability of City Planning Information***

The City of Livermore website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

**9.2.7.3 Public Involvement**

The City of Livermore website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

**9.2.8 Service Review Determinations Summary**

**Table 9.12** summarizes the service review determinations discussed throughout Section 9.2.

**TABLE 9.12  
CITY OF LIVERMORE  
SUMMARY OF SERVICE REVIEW DETERMINATIONS**

Determination Area and Criteria	Determination
<b><i>Growth and population projections for the affected area</i></b>	
Projected growth and demographic changes in and around the agency’s service areas based on ABAG population projections	ABAG projects that the City’s population will grow at an annual rate of 0.8% to a population of 95,600 in 2030. The City of Livermore is also projected to experience a 1.2% annual growth rate in jobs between 2010 and 2030. Overall, the City’s planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	The City of Livermore does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI in the next five years.
<b><i>Location and characteristics of Disadvantaged Unincorporated Communities within or contiguous to the SOI</i></b>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	There are no identified DUCs within or contiguous to the SOI for the City of Livermore.
<b><i>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</i></b>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	The City of Livermore reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.  When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.  Meeting infrastructure maintenance needs, however, presents a challenge for the City. The City of Livermore is developing a comprehensive infrastructure repair and maintenance plan so that adequate resources are available when needed.

Determination Area and Criteria	Determination
Consistency with capital improvement plans	The City has completed asset management programs for wastewater and sewer enterprise programs and is currently working on asset management for all general fund infrastructure. The two-year capital improvement plan includes the following highest priority projects from the various asset management programs: wastewater treatment rehabilitation and process improvements, wastewater treatment plant electrical distribution system, recoating of building exteriors at civic center.
Consistency with local and regional land use plans and policies	The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.
<b><i>Financial ability of the agency to provide services</i></b>	
Operating General Fund deficit and surplus trends for the past five years	The City of Livermore reports a five-year trend of surplus in their annual operating general fund. The five-year average surplus increased from \$746,474 in FY 2008 to \$1,966,187 in FY 2015.
Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing	For FY 2015, there were transfers of \$280,000 from the General Fund to fund capital projects.
Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year	As of June 30, 2015 the unassigned general fund balance represented approximately 42% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.
Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year	The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 7.2, which indicates the City has the means available to cover its existing obligations in the short-term.
Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end	The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.
<b><i>Status of and opportunities for shared facilities</i></b>	
Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas	The City provides an array of municipal services, with the exception of recreation, solid waste, utilities, and vector control services. These services are provided via contract with Alameda County or private vendors. The City shares fire services and special weapons and tactics services with the City of Pleasanton. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

Determination Area and Criteria	Determination
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency’s website	The City of Livermore website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City’s biennial budget; and the City’s annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency’s website	The City of Livermore website provides public access to the City’s general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.
Time and place for public to provide input prior to decision being made	The City of Livermore website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 9.3 Sphere of Influence Review and Determinations

### 9.3.1 Sphere of Influence Recommendation

The SOI for the City of Livermore is mostly coterminous with the municipal boundary and extends slightly to the north, east, and south, as shown in Figure 9.1. The City is surrounded by the incorporated cities of Dublin and Pleasanton and unincorporated Alameda County.

This report recommends that Alameda LAFCo consider the feasibility of incorporating into Livermore's SOI the existing quarry area between Livermore and Pleasanton. This quarry area would then be a shared SOI with the City of Pleasanton with conditions (to be determined by LAFCo) attached regarding future planning for this unincorporated area. **Figure 9.3** shows the modified SOI including the quarry area between Livermore and Pleasanton.

This report recommends that Alameda LAFCo maintain and reaffirm the existing SOI for the City of Livermore.

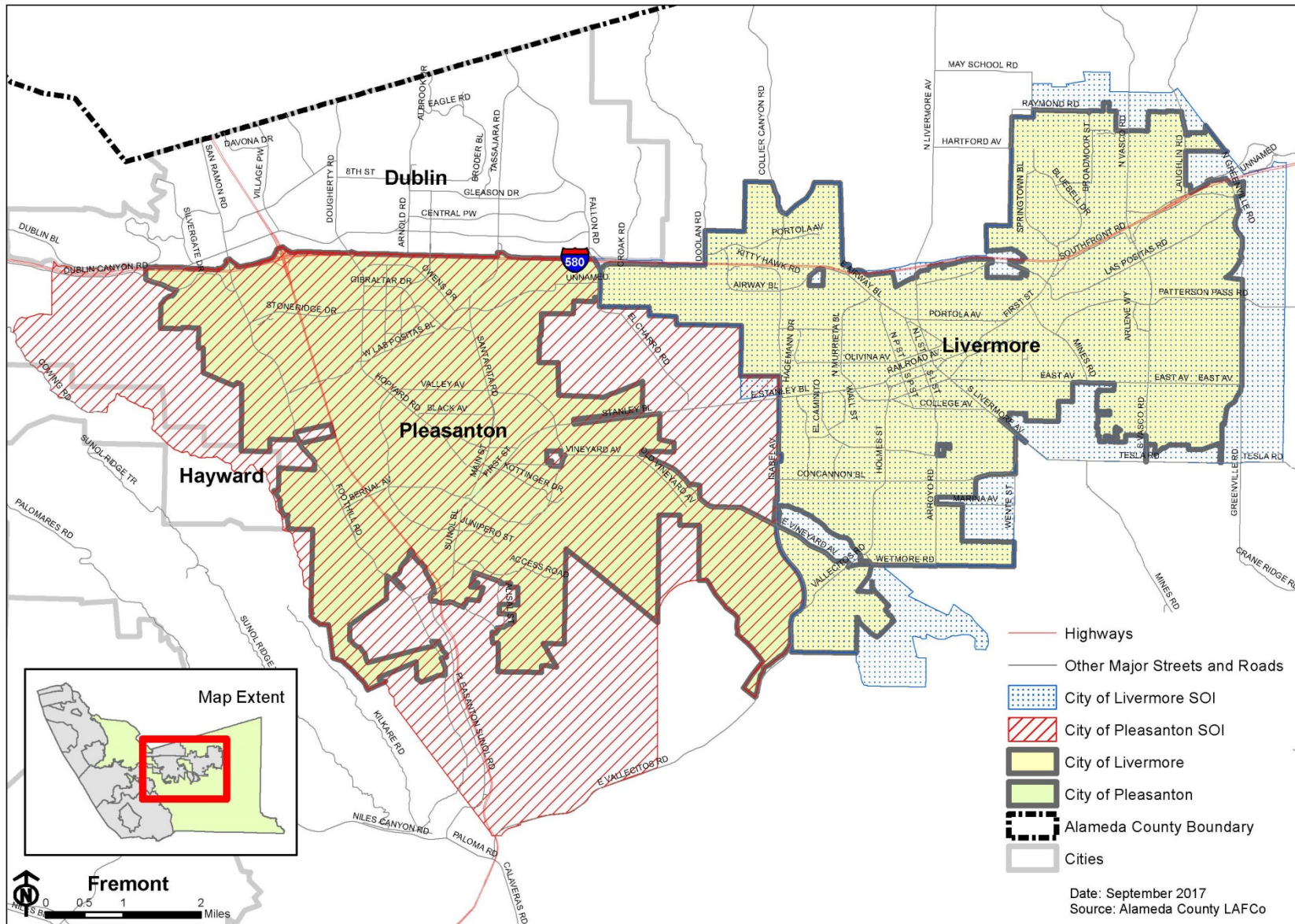
### 9.3.2 Sphere of Influence Determinations for the City of Livermore

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 9.13**. These determinations are made as part of the review of the existing SOI and are based on the information in this City of Livermore MSR profile.

**TABLE 9.13**  
**CITY OF LIVERMORE**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	The City of Livermore plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including residential, mixed use, commercial, industrial, open space, and community facilities. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (2004).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for the City of Livermore. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
<i>The present and probable future capacity of public facilities and services</i>	The present capacity of public facilities in the City of Livermore appears adequate. The City of Livermore anticipates it will continue to have adequate capacity during the next five years.
<i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i>	All communities of interest within the City's municipal boundary are included within the SOI. There are no DUCs within the City of Livermore or its SOI. Alameda LAFCo has not identified specific social or economic communities of interest relevant to the City of Livermore.

Criteria	Determination
<p><i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i></p>	<p>The City of Livermore provides structural fire protection and sewer facilities and services within its SOI; water is provided by CAL Water Service Company. There are no DUCs within or contiguous to the SOI for the City of Livermore and therefore no present or probable need for these facilities and services for DUCs.</p>



**Figure 9.3. Modified City of Livermore Sphere of Influence – Overlap with Modified City of Pleasanton Sphere of Influence**



# Chapter 10

## City of Newark

### 10.1 Agency Overview



The City of Newark, incorporated in 1955, covers an area of 13 square miles. The most recent U.S. Census Bureau data shows the population as 42,573. The California Department of Finance estimates the January 1, 2016 population as 44,733. The City has a population density of approximately 3,441 persons per square mile.

The City of Newark is entirely surrounded by the City of Fremont. Land uses in the City include a mix of residential, commercial, industrial, resource production, open space, and public-institutional. The Sphere of Influence (SOI) for the City of Newark is coterminous with the municipal boundary, as shown in **Figure 10.1**.

The municipal services considered in this review that are provided by the City of Newark include: animal control, law enforcement, library, lighting, parks and recreation, planning/building, and streets. Other services, such as fire protection and emergency response, library, and solid waste, are provided under contract with other service providers.

#### 10.1.1 City Staffing

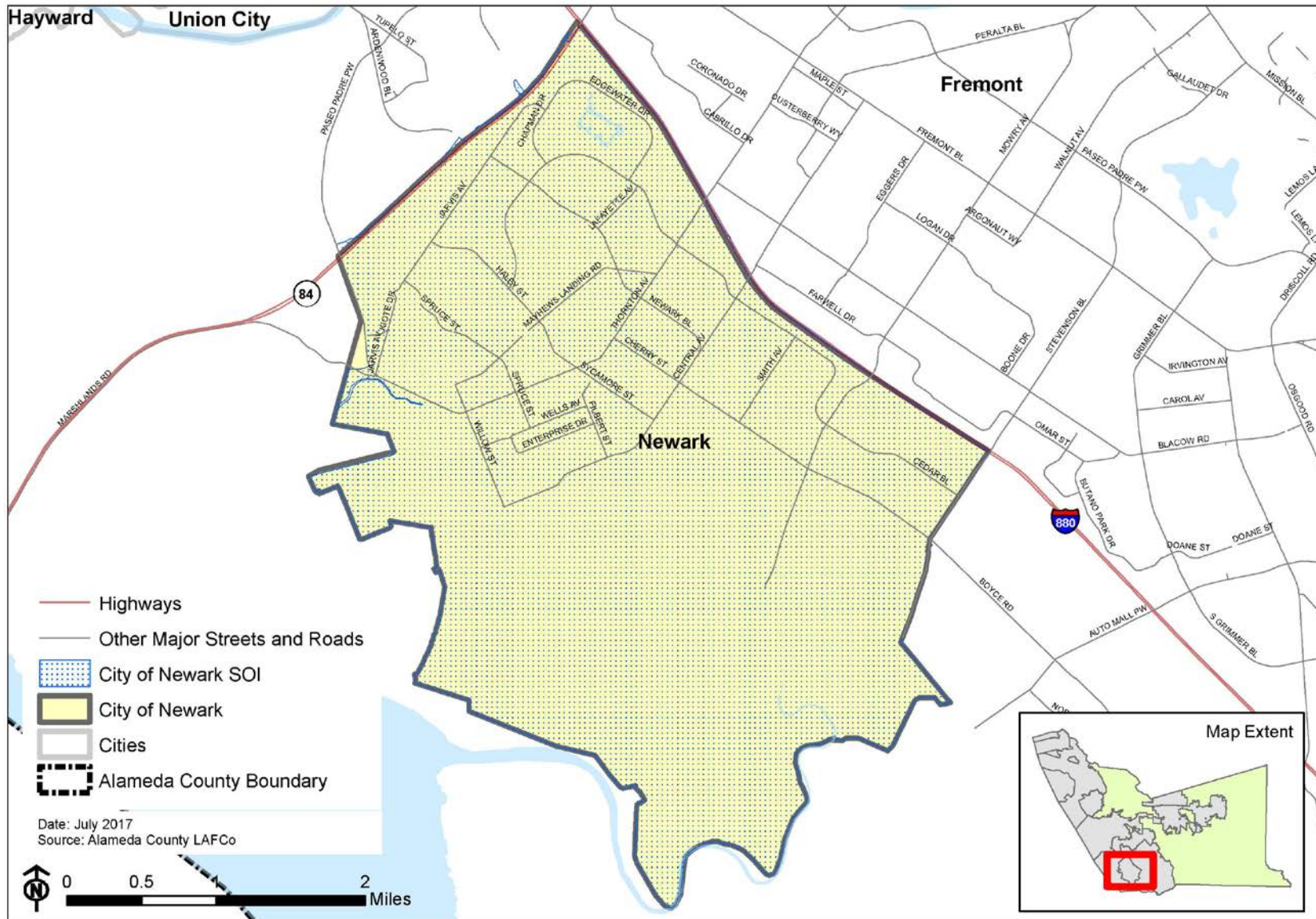
Total City staffing for fiscal year (FY) 2015 included 180.79 full-time equivalent (FTE) employees.<sup>1</sup> **Table 10.1** shows the four service areas with the highest staffing levels.

**TABLE 10.1**  
**CITY OF NEWARK**  
**HIGHEST STAFFING LEVELS BY SERVICE AREA**

Service Area	FY 2015 FTE
Police	79.14
General Government	40.17
Recreation	38.43
Streets and Parks	18.57

Source: City of Newark Comprehensive Annual Financial Report 2015.

<sup>1</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 10.1. City of Newark Municipal Boundary and Sphere of Influence**

Similar to other cities in Alameda County, the police function had the highest staffing level in the City of Newark, with 79.14 FTE employees.

### 10.1.2 Form of Government

The City of Newark is a general law city, operating under a council-manager form of government. The City Council consists of five members, including the Mayor; members serve four-year terms, and the elected Mayor serves a two-year term.

### 10.1.3 Joint Powers Authorities

The City of Newark is a member of several joint powers authorities (JPAs), which are listed in **Table 10.2**.

**TABLE 10.2**  
**CITY OF NEWARK**  
**JOINT POWERS AUTHORITY MEMBERSHIP**

Joint Powers Authority	Service
Alameda County Transportation Authority	—
Alameda County Associated Community Action Program	plans, develops, and administers programs under the federal Community Services Block Grant program
Association of Bay Area Governments	ABAG’s mission is to strengthen cooperation and collaboration among local governments to provide innovative and cost effective solutions to common problems that they face.
Association of Bay Area Governments Plan Group	—
East Bay Regional Communication System Authority	—
Tri-City Waste Facilities Financing Authority	—

Source: City of Newark

### 10.1.4 Awards and Recognition

The City of Newark has not reported receiving any awards since the 2008 Municipal Service Review (MSR).

## 10.2 Service Review Determinations

The purpose of this MSR is fully described in Chapter 1. The Cortese-Knox-Hertzberg Government Reorganization Act of 2000 (CKH Act) requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR Update, the following analysis informs the determinations which have been prepared for the City of Newark.

### 10.2.1 Growth and Population Projections

According to the 2016 California Department of Finance estimates, the City of Newark serves 44,733 residents within its municipal boundaries.

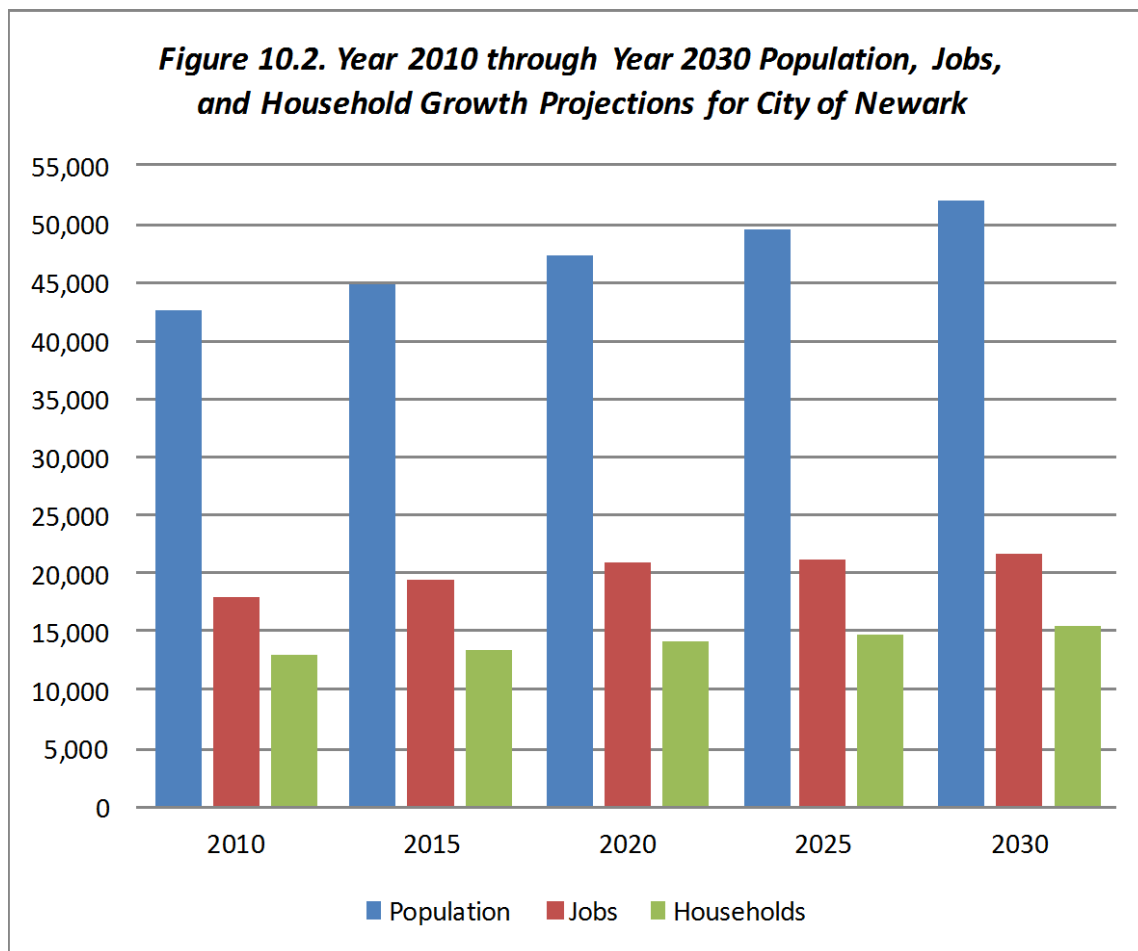
#### 10.2.1.1 *Projected Growth and Demographic Changes*

As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>2</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes 30-year growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for the City of Newark are depicted in **Figure 10.2**.

ABAG projects that the City's population will grow at an annual rate of 1% to a population of 52,100 in 2030. The City of Newark is also projected to experience a 1% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.

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<sup>2</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.



**Jobs and Housing**

According to ABAG Bay Area Census data<sup>3</sup> for 2010, the City of Newark has 20,943 employed residents. The ABAG and MTC jobs forecast estimates 17,930 jobs in the City, with approximately 0.85 job for every employed resident. ABAG estimates that the City of Newark has 13,414 housing units, which results in a job/housing balance of 1.34. The number of owner-occupied units in the City is greater than the number of renter-occupied housing units (**Table 10.3**), indicating that the rate of homeownership exceeds the rental household rate.

<sup>3</sup> ABAG Bay Area Census data are derived from US Census data specific to the Bay Area.

**TABLE 10.3**  
**CITY OF NEWARK**  
**HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	8,942
Renter-occupied housing units	4,030
Other <sup>1</sup>	442
Total existing housing units	13,414
<b>Regional Housing Need Allocation by Income Category 2014-2022</b>	
Above moderate	423
Moderate	158
Low	167
Very low	330
<i>Total Regional Housing Need Allocation</i>	<i>1,078</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their housing element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>4</sup> The City of Newark was assigned a RHNA of 1,078 units, as shown in Table 10.3.

The City adopted its General Plan in 2013 and its Housing Element in May 2015. The City has identified two potential PDAs for infill development, including housing. The City's 2015–2023 Housing Element identifies adequate sites, anticipated to yield 3,472 units, which are appropriately zoned to address the affordable housing demand and anticipated to meet and exceed its 2014-2022 assigned RHNA. The City's Housing Element has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *Planning for an Aging Population*

The number of adults age 50 and older in Alameda County is projected to grow from 449,754 in 2010 to 701,000 in 2030, an increase of 55.9% and representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>5</sup>

The City addresses planning for an aging population primarily through its General Plan, including the Housing Element which addresses the demographics of the community and has

<sup>4</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>5</sup> Year 2010–2030 ABAG projections.

identified the particular needs of the aging population. All other City planning efforts consider the demographic shift underway and include methods to accommodate this shift.

The City of Newark provides the following programs and services for their aging residents:

- Newark Senior Center offering daily free drop-in activities including pool, board and card games and refreshments.
- Daily nutritional lunch program with a suggested donation of \$3.75
- Weekly bingo games
- Monthly entertainment and special events
- Free health insurance information and counseling
- Free notary signing
- Paratransit and Taxi Voucher Services
- Travel Training Workshops
- Clipper Card Workshops
- Senior Aerobics/Senior Strength Classes
- Aquatic Aerobics Classes
- Walking programs
- Driver Safety programs
- Senior Trips and Tours
- Senior special interest classes
- Volunteer opportunities

### ***10.2.1.2 Anticipated Growth Patterns***

The City of Newark reported approximately 194 entitled residential acres and approximately 105 undeveloped entitled residential acres in FY 2015.

There are numerous projects identified as part of the FY16–FY21 projected growth for the City and include 2,325 dwelling units, 7 acres of commercial uses, and 5 acres of park/public uses. These projects are either approved or in the approval process.

PDA's, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. Two PDA's have been identified for the City of Newark in Plan Bay Area. The Dumbarton Transit Oriented Development PDA is characterized as a future transit town center. The Old Town Mixed Use Area PDA is characterized as a transit neighborhood. The City consults with outside municipal service providers to ensure that the PDA's will receive adequate services at buildout.

The Dumbarton Transit Oriented Development PDA is within the municipal boundary along the western edge of the City adjacent to Willow Street and Ash Street. Buildout for this PDA includes 2,500 dwelling units, a hotel, and 30,000 square feet of retail. About two-thirds of the PDA is entitled and approximately 150 homes are occupied.

The Old Town Mixed Use Area PDA is within the municipal boundary and fronts Thornton Avenue between Olive Street and Ash Street. The City is currently developing a Specific Plan for

this PDA and projects the area will contain 400 high-density dwelling units and 40,000 square feet of retail at buildout in 2040.

Priority Conservation Areas, which are areas of regionally significant open space facing development pressure, also help form the implementing framework for Plan Bay Area. The City of Newark is urbanized and has not identified any Priority Conservation Areas in its General Plan.

The City of Newark does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI.

## 10.2.2 Boundaries, Islands, and Disadvantaged Unincorporated Communities

The City of Newark’s SOI is coterminous with its municipal boundary (see Figure 10.1). The City does not anticipate any changes to its SOI and does not provide services to any areas outside its municipal boundary or SOI. There are no unincorporated islands in the City of Newark.

### 10.2.2.1 Disadvantaged Unincorporated Communities

There are no identified DUCs within or contiguous to the SOI for the City of Newark and therefore, no DUCs are relevant to this analysis.

## 10.4 City Services Overview

As noted in Section 10.1 and as shown in **Table 10.4**, municipal services for the City of Newark are provided by City staff and under contract with other service providers. Municipal services considered in this update are discussed individually below. Stormwater, water, and wastewater services will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

**TABLE 10.4**  
**CITY OF NEWARK**  
**MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	City of Newark	Tri-City Animal Shelter
Fire and Emergency Response	—	Alameda County Fire Department
Law Enforcement	City of Newark	—
Library	—	County of Alameda
Lighting	City of Newark	—
Parks and Recreation	City of Newark	—
Planning/Building	City of Newark	—
Solid Waste	—	Republic Services
Stormwater	—	Alameda County Flood Control Zone 5
Streets	City of Newark	—



Utilities and Broadband:		
Electricity	—	Pacific Gas & Electric
Gas	—	Pacific Gas & Electric
Broadband	—	Comcast, AT&T, Sonic.net
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Mosquito Abatement District
Water	—	Alameda County Water District
Wastewater	—	Union Sanitary District

Source: City of Newark

In the years since the 2008 MSR update, the City has contracted with Alameda County for fire protection and emergency response services. The City of Newark has not added any new municipal services or discontinued any services since the 2008 MSR.

The City of Newark reports the following opportunities and challenges in the provision of municipal services:

**Opportunities**

- The recent approval of a one-half-cent sales tax will enable the City to construct a new Civic Center Complex, to include a police center, library, and City administration building
- Current strong housing and commercial market
- Completion of a Citywide Park Master Plan and the anticipated construction of new recreation amenities

**Challenges**

- Meeting pension obligations
- Providing competitive salaries
- Funding for infrastructure and street maintenance

A summary of the City’s municipal service level statistics for FY 2015 is provided in Table A.9 of **Attachment A**.

*10.2.3.1 Animal Control, Vector Control*

The City of Newark and Tri-City Animal Shelter provide animal control services, including preventative patrol service, complaint and violation investigations, impound for stray animals, medical treatment for injured or sick animals, rabies control, and enforcement of City licensing ordinances. FY 2015 expenditures were \$198,620.

For 2015, the City issued 44 dog licenses per 1,000 population, up slightly from 42 in 2008, for a total of 4,548 licenses. The number of animals handled in 2015 was not available. The City of Newark and Tri-City Animal Shelter received 1,285 calls for service in 2015.

Throughout Alameda County, and including the City of Newark, vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, including the City of Newark.

### ***10.2.3.2 Fire and Emergency Response***

The City has been contracting with Alameda County Fire Department (ACFD) for first-responder paramedic services since 2010. The ACFD staffs three stations that serve the City of Newark. Fire and emergency response expenditures were approximately \$9.6 million for FY 2015.

There were 3,125 calls for fire and emergency response service in 2015. ACFD reports that average fire and emergency response times achieved over 90% compliance for 2015. Average response time was 4:25 in 2008. The National Fire Protection Association standard requires fire and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>6</sup>

All three fire stations serving Newark are in good to excellent condition. The City has two Fire Engine "pumpers" and one Quint (combination ladder and pumper). The two pumpers are in good condition and the Quint was purchased in 2014 and is in excellent condition. All three are well maintained.

### ***10.2.3.3 Law Enforcement***

The City of Newark Police Department provides a wide range of law enforcement services including patrol, investigations, traffic enforcement, community service and outreach, crime prevention, School Resource Officer, canine program, and computer forensics. Police expenditures were approximately \$15 million for FY 2015. Public safety expenditures, which include police and fire services, account for 60% of General Fund expenditures.

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<sup>6</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

The City of Newark has 1.3 FTE sworn personnel per 1,000 population. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>7</sup> There were 26.6 crimes per sworn FTE in 2015. The property crime clearance rate (a measure of crimes solved) was 16% in 2015, while the violent crime clearance rate was 48%.<sup>8</sup>

The City's police station facility is in fair condition and in need of replacement. The new Civic Center project includes construction of a new police station. Police vehicles and other equipment are in good to excellent condition.

#### ***10.2.3.4 Library***

The City of Newark does not directly provide library services; instead, the Alameda County library system provides library services via contract, with one location in the City of Newark. The City owns and maintains the library building and provides funding for a portion of the library hours. FY 2015 expenditures were \$62,000.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>9</sup> Select statistical data for the most recent year (FY 2014/2015) is provided in this MSR Update for informational purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY2014/2015.

#### ***10.2.3.5 Lighting and Streets***

Lighting (street and traffic) is provided and maintained by the City of Newark. City expenditures for light and signal maintenance were \$8,790 per street mile for FY 2008. FY 2015 expenditures were \$429,595 or \$4,052 per street mile.

The City of Newark provides and maintains approximately 106 street miles and approximately 23 Class 1 and 2 bike lane miles. FY 2015 expenditures for streets were \$1,515,400.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

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<sup>7</sup> National Sources of Law Enforcement Employment Data. April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

<sup>8</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

<sup>9</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lrs/librarystats.html>

The PCI for streets in the City of Newark was 69 (fair) in 2009.<sup>10</sup> Pavement at the low end of the 60-69 (fair) range is significantly distressed and may require a combination of rehabilitation and preventive maintenance. The PCI increased to 76 in 2015, which is slightly above the target PCI of 75 (good) MTC has established.<sup>11</sup> Pavement in the good (70-79) range requires mostly preventive maintenance and shows only low levels of distress.

### ***10.2.3.6 Parks and Recreation***

The City is the primary service provider for parks and recreation. City expenditures for maintenance were \$13,959 per acre for FY 2008. FY 2015 expenditures for parks and recreation services were \$5,463,023.

The City provides and maintains 3 park acres per 1,000 residents and 2 recreation centers. The City does not provide recreational trails.

There are 15 parks and sports play facilities located throughout the City. All of the parks are in good, serviceable condition. The City is finalizing its Citywide Parks Master Plan, which will identify improvements to existing parks and construction of new park facilities, including a skate park, two dog parks, and two all-weather turf soccer fields. The City collaborates with the East Bay Regional Park District to facilitate funding for City projects. The most recent project funded by Measure WW was the replacement of the seawall at Lakeshore Park.

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. The City of Newark's level of service standard is 3 acres per 1,000 new residents. Because Newark is landlocked and has limited opportunities to develop new parks, the City's emphasis in park planning is shifting to make better use of existing parks and providing new facilities that do not currently exist.

### ***10.2.3.7 Planning and Building***

The City of Newark Community Development Department provides planning and building services. The Planning Division oversees the development of the City, including the update and administration of the City's General Plan, administration of the Zoning Ordinance, coordination of development with the business community, and working with the Planning Commission. The Building Division ensures that the building design and construction activities conform with local and state building regulations. FY 2015 expenditures were \$1,394,651.

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<sup>10</sup> 2008 data were not available

<sup>11</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

The City issued 1,264 residential and 180 commercial building permits. Total building permit valuation in FY 2015 is estimated at \$6.5 billion. The adopted planning documents reported by the City are listed in **Attachment B**.

### *10.2.3.8 Solid Waste*

Solid waste services are provided to the City of Newark by Republic Services. Republic Services transports solid waste collected from the City of Newark to the Fremont Recycling and Transfer Station in Fremont. FY 2015 expenditures were \$333,583.

The City reported 0.82 ton of waste disposed per capita for FY 2015, and a total diversion rate of 70%. The FY 2015 per resident disposal rate was 4.5 pounds/resident/day.

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

### *10.2.3.9 Utilities and Broadband*

Pacific Gas & Electric provides gas and electricity services to the City of Newark. The City coordinates with Pacific Gas & Electric regarding the location and condition of gas pipelines. Pacific Gas & Electric recently provided City staff with an updated comprehensive report that included information on Newark pipeline testing and safety efforts, location maps, and disaster response. Newark is a member of the newly formed East Bay Community Energy Authority.

The City does not provide public broadband service. XFINITY from Comcast, AT&T U-verse, and Sonic.net each offer internet access to the city. These providers use a variety of wired technologies including cable and DSL. The City of Newark did not indicate concerns about the availability or reliability of high-speed internet services. The California Public Utilities Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report card for 2013. The City of Newark received a grade of C, which indicates that internet service providers meet the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.<sup>12</sup>

The City did not indicate concerns about the ability of utility service or broadband providers to serve Newark's existing or growing population.

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<sup>12</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www. bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).

## 10.2.4 City Services Determinations

### *10.2.4.1 Present and Planned Capacity of Facilities, Adequacy of Public Service*

As noted above, there are no DUCs within or contiguous to the City's SOI.

ACFD reports that average fire and emergency response times achieved compliance with the NFPA standard for 2015.

The City of Newark reports that it adequately serves all areas within its municipal and SOI boundaries and anticipates it will continue to do so in the foreseeable future.

When accounting for the projected growth and population increases over the next five years, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

#### *Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs*

When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

#### *Consistency with Capital Improvement Plans*

The City conducts facility and infrastructure assessments as part of each Biennial Budget and Capital Improvement Plan cycle. The top three capital priorities are the Civic Center Replacement Project, which includes a new City Administration building, new Police Department building, and a new library; completion of the first phase of projects in the Citywide Parks Master Plan; completion of critical maintenance projects at the George M. Silliman Activity and Aquatic Center.

#### *Consistency with Local and Regional Land Use Plans and Policies*

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *10.2.4.2 Status and Opportunities for Shared Facilities*

The sharing of municipal services and facilities involves centralizing functions and facilities. Municipalities will collaborate through joint-use and shared services agreements for the joint provision of public services and joint use of public facilities as a way to save resources.

*Current Shared Services*

The City provides an array of municipal services, with the exception of fire and emergency response, library, solid waste, stormwater, utilities, vector control, water, and wastewater services. These services are provided via contract with Alameda County, public vendors, or private vendors. The City shares animal control services and facilities with the cities of Fremont and Union City, via the Tri-City Animal Shelter. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

*Duplication of Existing or Planned Facilities*

This review did not identify any duplication of existing or planned facilities.

*Availability of Excess Capacity*

No excess service or facility capacity was identified as part of this review.

**10.2.5 Financial Information**

This section provides an overview of the City's financial health and provides a context for assessing the City's financial ability to provide services.

Key FY 2015 financial information for City of Newark municipal operations is discussed below. The information in this section has been obtained from the audited 2015 Comprehensive Annual Financial Report (CAFR) and from City staff. For comparative purposes, FY 2008 CAFR and staff-provided financial information is also included where available.

*10.2.5.1 Revenues and Expenditures*

A comparison of the revenues and expenditures for the City's governmental and proprietary funds is shown in **Table 10.5**.

**TABLE 10.5**  
**CITY OF NEWARK**  
**COMPARISON OF REVENUE AND EXPENDITURES**  
**FY 2008 AND FY 2015**

	<b>FY 2008</b>	<b>FY 2015</b>
Total Revenue	\$40,649,344	\$51,746,807
Total Expenditures	\$48,589,211	\$45,381,047
<b>Net Surplus/(Deficit)</b>	<b>(\$7,939,867)</b>	<b>\$6,365,760</b>

Overall revenues have increased by 27% since FY 2008. In FY 2015, total expenditures for the City of Newark exceeded \$45.3 million, which represents a decrease of approximately \$3.2 million from FY 2008.

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and expenditures for the General Fund are shown in **Table 10.6**. General Fund expenditures constituted approximately 91% (\$41.3 million) of the total expenditures.

**TABLE 10.6**  
**CITY OF NEWARK**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Other Local Taxes	\$16,264,432	\$23,866,589
General Property Taxes	\$10,0152,552	\$13,987,618
Current Service Charges	\$425,021	\$3,780,954
Licenses and Permits	\$1,089,395	\$2,264,589
Other Revenue	\$569,224	\$733,631
Other Government Agencies	\$3,751,010	\$518,568
Fines and Forfeitures	\$1,050,000	\$382,769
Use of Money and Property	\$3,420,913	\$75,103
<b>Total Revenue</b>	<b>\$35,565,547</b>	<b>\$45,609,706</b>
Expenditures by Program		
Police	\$13,830,334	\$15,020,948
Fire	\$8,197,691	\$9,617,856
General Government	\$3,671,082	\$6,043,345
Recreation	\$5,350,870	\$3,818,980
Community Development	\$2,313,750	\$3,467,467
Streets and Parks	\$3,062,260	\$3,005,699
Capital Outlay	\$470,015	\$180,625
Debt Service	\$111,209	\$134,122
Miscellaneous	\$394,337	—
<b>Total Expenditures</b>	<b>\$37,401,548</b>	<b>\$41,289,042</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$816,001)</b>	<b>\$4,320,664</b>

Total General Fund expenditures have increased by approximately \$3.9 million (10%) since FY 2008. The major expenditure of the City's General Fund is police services, which accounts for 36% (\$15,020,948) of the fund's annual expenditure stream.

The major revenues to the City's General Fund are taxes (e.g., property, sales, utility users, and transient occupancy), which comprise approximately 83% of the general fund's annual revenue stream. The primary source of revenue is property tax, which in FY 2015 was above FY 2008 levels. **Table 10.7** provides a comparison of tax revenues.



**TABLE 10.7**  
**CITY OF NEWARK**  
**COMPARISON OF TAX REVENUES**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Property Tax	\$10,015,553	\$13,987,618
Sales Tax	\$9,410,103	\$10,603,089
Utility Users Tax	\$0	\$3,616,516
Transient Occupancy Tax	\$3,325,803	\$5,067,202
Franchise Tax	\$2,449,000	\$3,076,000
Other Local Taxes	\$1,080,000	\$1,488,000
Total tax revenue	\$66,280,459	\$37,838,425

The City of Newark's property tax revenue has increased by approximately \$3.9 million (39%) since FY 2008. This increase can be somewhat attributed to the housing market recovery after the Great Recession of 2008–2009. Sales tax revenue has increased by approximately \$1.2 million (12%) since FY 2008.

### 10.2.5.2 Debt

**Table 10.8** summarizes the City's obligations, debt, and liabilities.

**TABLE 10.8**  
**CITY OF NEWARK**  
**COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES**  
**FY 2008 AND FY 2015**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$13,645,000	\$10,045,261
Ratio of Direct Debt <sup>1</sup> to Net Assessed Valuation	0.24%	0.16%
Ratio of Combined Debt <sup>2</sup> to Net Assessed Valuation	2.83%	3.40%
Unfunded Pension Liability	\$24,119,205	\$68,290,593

<sup>1</sup> General bonded debt

<sup>2</sup> Direct and overlapping debt

Standard and Poor's suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilized capital investment capacity. The City of Newark has lowered its general bonded debt since 2008 to approximately \$225 per capita. The ratio of direct debt to net assessed valuation has decreased, while the ratio for combined debt has increased since 2008.

Similar to many cities, the City of Newark has seen an increase in its reported unfunded pension liability since 2008, partially due to Governmental Accounting Standards Board (GASB) 68.<sup>13</sup> The City’s unfunded pension liability<sup>14</sup> is approximately 150% of the general fund revenue for FY 2015 (i.e., one and one-half times the general fund revenue would be needed to fully fund the existing pension liability if addressed all in one year). In response to this fiscal challenge, the City developed a policy on funding its pension obligation, which the Newark City Council adopted in February 2017.

### 10.2.5.3 Reserves

The City’s reserve goal for unassigned fund balances is 25% by policy and an additional 5% by practice. For FY 2015, the unassigned General Fund balance of \$20.4 million represents approximately 47% of the \$43.7 million budgeted 2015-16 operating expenditures, and with the economic uncertainty fund balance of \$4.1 million, the total reserve represents approximately 56% of budgeted operating expenditures for 2015.

Newark’s unassigned General Fund reserve levels have more than doubled since FY 2008 (**Table 10.9**).

**TABLE 10.9**  
**CITY OF NEWARK**  
**COMPARISON OF RESERVES**  
**FY 2008 AND FY 2015**

	FY 2008	FY 2015
Unassigned General Fund Reserve Level	\$6,180,885	\$14,775,457
Economic Uncertainty Reserve Fund <sup>1</sup>	\$4,432,051	\$4,128,904

<sup>1</sup> Separate from General Fund Reserve

### 10.2.5.4 Financial Health Indicators

Overall, the City of Newark appears to be in positive fiscal health, as shown by the General Fund fiscal indicators in **Table 10.10**.

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<sup>13</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports.

<sup>14</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city’s General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.

**TABLE 10.10**  
**CITY OF NEWARK**  
**GENERAL FUND FISCAL INDICATORS**  
**FY 2008 AND FY 2015**

Indicator	FY 2008 Value	FY 2015 Value
Net Operating Deficit/Surplus	\$11,835,942	\$21,527,846
Liquidity Ratio <sup>1</sup>	6.72	10.94
Fund Balance as Percent of Expenditures <sup>2</sup>	32%	52%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures

Since FY 2008, the City has reported a surplus in their annual operating General Fund.

The unassigned General Fund Balance exceeded the reserve goal for unassigned fund balances (25% by policy and an additional 5% by practice). The City has committed 25% for economic fluctuations and emergencies. Overall, the City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Standard and Poor's has assigned Newark a bond rating of AA- (high quality).

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). In the case of the City of Newark, assets exceeded liabilities by \$102.6 million for FY 2015. At the end of FY 2015, the City of Newark's governmental net position decreased by \$70.6 million or 41% from the prior fiscal year and largely reflects the first time inclusion of the net pension liability in the Statement of Position as a result of implementing GASB 68.

The largest portion of the City's net position, \$140.9 million (137%), is its investment in capital assets, less any related outstanding debt used in acquiring those assets. The City uses these capital assets to provide services to citizens; consequently, they are not available for future spending.

### ***10.2.5.5 Fiscal Reporting***

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end.

The City of Newark published its CAFR for FY 2015 in a timely manner (within 6 months of the fiscal year end). The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

## **10.2.6 Financial Determinations**

### ***10.2.6.1 Financial Ability of Agency to Provide Services***

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Although the recession has been declared over, the rate of recovery for the City of Newark has been slow. The City anticipates conservative revenue growth for the next two years. The City's capital reserves are limited and growth is dependent on budget surpluses. Assignment of surplus funds depends on the continuation of the utility users tax. The City of Newark may not have sufficient financial resources to continue providing services, as well as to accommodate infrastructure expansion, improvements, or replacement.

#### ***Operating General Fund deficit and surplus trends for the past five years***

The City of Newark reports a five-year trend of surpluses in their annual operating general fund. The five-year average increased from a deficit of -\$1,204,382 in FY 2008 to a surplus of \$2,741,422 in FY 2015.

#### ***Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing***

For FY 2015, the City transferred \$2.2 million from the General Fund reserves to fund capital projects, internal services, and debt service.

#### ***Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year***

As of June 30, 2015 the unassigned general fund balance represented approximately 52% of operating expenditures. The City's fund balance as percent of expenditures exceeds the City's 25% reserve goal for unassigned fund balances and exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

#### ***Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year***

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 10.94, which indicates the City has the means available to cover its existing obligations in the short-term.

*Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end*

The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

## **10.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

### *10.2.7.1 Online Availability of City Governance Information*

The City of Newark website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

### *10.2.7.2 Online Availability of City Planning Information*

The City of Newark website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

### *10.2.7.3 Public Involvement*

The City of Newark website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## **10.2.8 Service Review Determinations Summary**

**Table 10.11** summarizes the service review determinations discussed throughout Section 10.2.

**TABLE 10.11**  
**CITY OF NEWARK**  
**SUMMARY OF SERVICE REVIEW DETERMINATIONS**

Determination Area and Criteria	Determination
<b><i>Growth and population projections for the affected area</i></b>	
Projected growth and demographic changes in and around the agency's service areas based on ABAG population projections	ABAG projects that the City's population will grow at an annual rate of 1% to a population of 52,100 in 2030. The City of Newark is also projected to experience a 1% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	The City of Newark does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI in the next five years.
<b><i>Location and characteristics of Disadvantaged Unincorporated Communities within or contiguous to the SOI</i></b>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	There are no identified DUCs within or contiguous to the SOI for the City of Newark
<b><i>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</i></b>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.
Consistency with capital improvement plans	The City conducts facility and infrastructure assessments as part of each Biennial Budget and Capital Improvement Plan cycle. The top three capital priorities are the Civic Center Replacement Project, which includes a new City Administration building, new Police Department building, and a new library; completion of the first phase of projects in the Citywide Parks Master Plan; completion of critical maintenance projects at the George M. Silliman Activity and Aquatic Center.
Consistency with local and regional land use plans and policies	The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.
<b><i>Financial ability of the agency to provide services</i></b>	
Operating General Fund deficit and surplus trends for the past five years	The City of Newark reports a five-year trend of surpluses in their annual operating general fund. The five-year average increased from a deficit of -\$1,204,382 in FY 2008 to a surplus of \$2,741,422 in FY 2015.

Determination Area and Criteria	Determination
Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing	For FY 2015, the City transferred \$2.2 million from the General Fund reserves to fund capital projects, internal services, and debt service.
Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year	As of June 30, 2015 the unassigned general fund balance represented approximately 52% of operating expenditures. The City's fund balance as percent of expenditures exceeds the City's 25% reserve goal for unassigned fund balances and exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.
Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year	The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 10.94, which indicates the City has the means available to cover its existing obligations in the short-term.
Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end	The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.
<b><i>Status of and opportunities for shared facilities</i></b>	
Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas	The City provides an array of municipal services, with the exception of fire and emergency response, library, solid waste, stormwater, utilities, vector control, water, and wastewater services. These services are provided via contract with Alameda County or private vendors. The City shares animal control services and facilities with the cities of Fremont and Union City, via the Tri-City Animal Shelter. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency's website	The City of Newark website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency's website	The City of Newark website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.
Time and place for public to provide input prior to decision being made	The City of Newark website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 10.3 Sphere of Influence Review and Determinations

### 10.3.1 Sphere of Influence Recommendation

The SOI for the City of Newark is coterminous with the municipal boundary (see Figure 10.1). The City is entirely surrounded by the City of Fremont and no further outward growth is possible.

This report recommends that Alameda LAFCo maintain and reaffirm the existing SOI for the City of Newark.

### 10.3.2 Sphere of Influence Determinations for the City of Newark

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 10.12**. These determinations are made as part of the review of the existing SOI and are based on the information in this City of Newark MSR profile.

**TABLE 10.12**  
**CITY OF NEWARK**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	The City of Newark plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including residential, commercial, industrial, resource production, open space, and public–institutional. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (2013).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for the City of Newark. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
<i>The present and probably future capacity of public facilities and services</i>	The present capacity of public facilities in the City of Newark appears adequate. The City of Newark anticipates it will continue to have adequate capacity during the next five years.
<i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i>	All communities of interest within the City’s municipal boundary are included within the SOI. Alameda LAFCo has not identified specific social or economic communities of interest relevant to the City of Newark.



Criteria	Determination
<p><i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i></p>	<p>The City of Newark does not provide water or structural fire protection facilities and services within its SOI. Those facilities and services are provided under contract with Alameda County. The City does provide sewer services. There are no DUCs within or contiguous to the SOI for the City and therefore no present or probable need for these facilities and services for DUCs.</p>



# Chapter 11

## City of Oakland

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### 11.1 Agency Overview



The City of Oakland, incorporated in 1852, covers an area of 53.8 square miles. The most recent U.S. Census Bureau data shows the population as 390,724. The California Department of Finance estimates the January 1, 2016 population as 422,856. The City has a population density of approximately 7,860 persons per square mile.

The City of Oakland is surrounded by the cities of Alameda, Berkeley, Piedmont, and San Leandro, and unincorporated Alameda County and Contra Costa County. Land uses in the City include a mix of residential, business, commercial, industrial, recreation, and open space.

The City is the administrative site for the County of Alameda, the regional seat for the federal government, the district location of primary state offices, and the transportation hub of commerce for the Bay Area.

The Sphere of Influence (SOI) for the City of Oakland is primarily coterminous with the municipal boundary, as shown in **Figure 11.1** except for a small area near Panoramic Way on the northern side of the city.

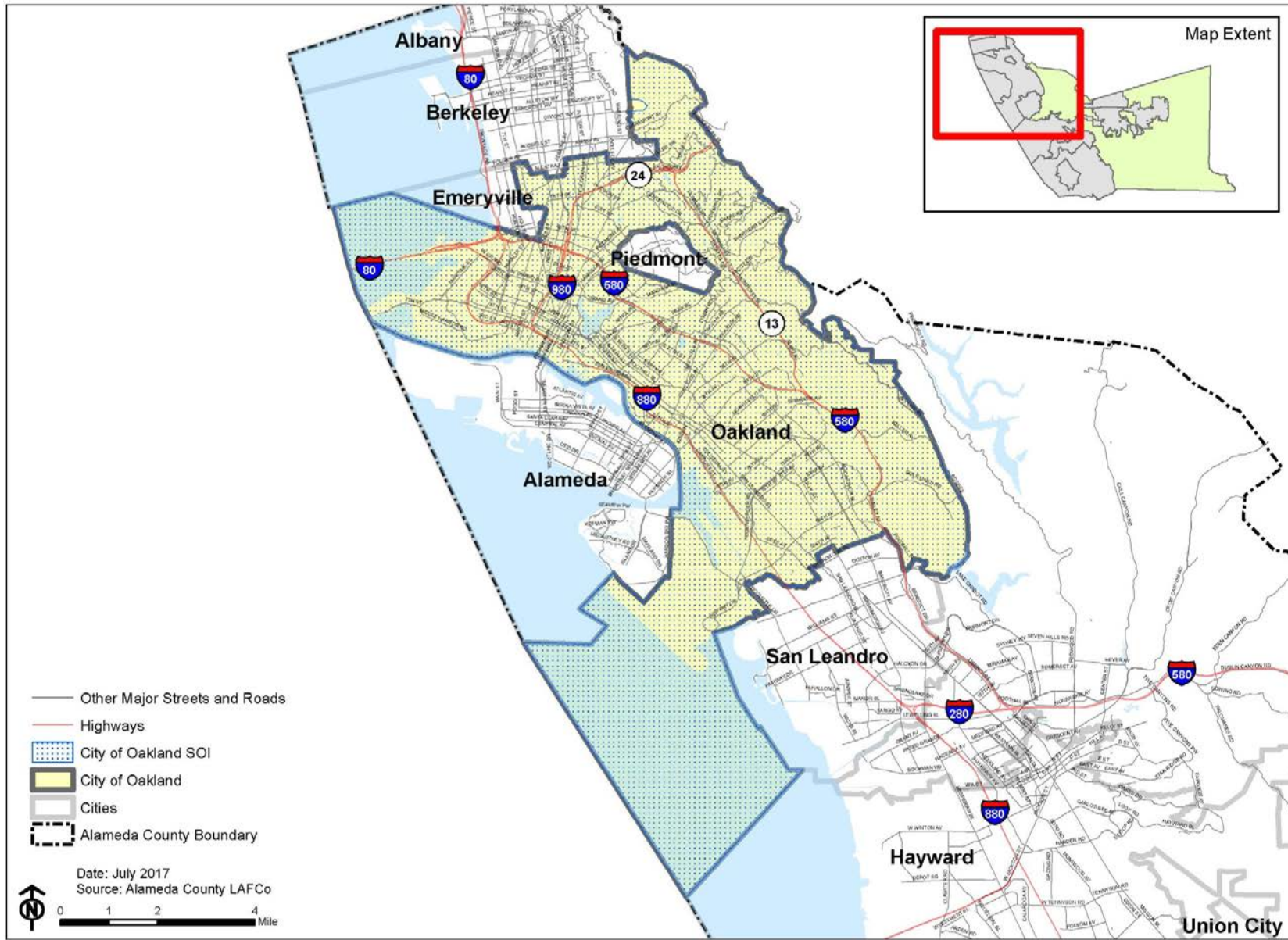
The municipal services considered in this review that are provided by the City of Oakland include: animal control, fire and emergency response, law enforcement, library, lighting, parks and recreation, planning/building, and streets. Other services, such as solid waste, are provided under contract with other service providers.

#### 11.1.1 City Staffing

Total City staffing for fiscal year (FY) 2015 included 3,352 full-time equivalent (FTE) employees.<sup>1</sup> **Table 11.1** shows the four service areas with the highest staffing levels.

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<sup>1</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 11.1. City of Oakland Municipal Boundary and Sphere of Influence**

**TABLE 11.1**  
**CITY OF OAKLAND**  
**HIGHEST STAFFING LEVELS BY SERVICE AREA**

Service Area	FY 2015 FTE
Police	1,168.0
Public Works	623.0
Fire	493.0
Aging, Health, and Human Services	214.0

Source: City of Oakland Comprehensive Annual Financial Report 2015.

Similar to other cities in Alameda County, the police function had the highest staffing level in the City of Oakland, with 1,168.0 FTE employees.

### 11.1.2 Form of Government

The City of Oakland is a charter city operating under the mayor-council form of government. The City Council consists of eight members; members serve four-year terms. The Mayor, who is elected at large, may cast a tie-breaking vote in the event of a deadlock on the City Council.

### 11.1.3 Joint Powers Authorities

The City of Oakland is a member of the Joint Powers Authorities (JPAs) listed in **Table 11.2**.

**TABLE 11.2**  
**CITY OF OAKLAND**  
**JOINT POWERS AUTHORITY MEMBERSHIP**

Joint Powers Authority	Service
Oakland – Alameda County Coliseum	Finances improvements to the Coliseum Complex and to manage the Coliseum Complex on behalf of the City and County.
East Bay Regional Communications System Authority	To build, own and operate a state-of-the-art P25 compliant communications system for the public agencies within Alameda and Contra Costa counties.
East Bay Community Energy Authority	East Bay Community Energy is a joint powers authority that aggregates electricity demand within participating Alameda County jurisdictions in order to procure more sustainable electricity for its customers.
Alameda County Waste Management Authority	The Authority is responsible for preparation of the Alameda County Integrated Waste Management Plan and Alameda County Hazardous Waste Management Plan. It manages a long-range program for development of solid waste facilities and offers many programs in the areas of source reduction and recycling, market development, technical assistance and public education. Funding is provided by per-ton disposal and waste import mitigation fees.
Alameda County Transportation Commission	Plans, funds, and delivers transportation program and projects that expand access and improve mobility to foster a vibrant and livable Alameda County.
Youth Ventures	Eliminate health, income, and education disparities in Oakland and other high needs communities in Alameda County.

Joint Powers Authority	Service
Chabot Space and Science Center	Provides oversight to the general operations and governance of the Chabot Space and Science Center, giving its approval to all major expenditures, appointments, and strategic decisions.
Alameda County Lead Poisoning Prevention Program	Eliminates environmental lead contamination, prevents childhood lead poisoning, and improves health outcomes by addressing housing problems.

Source: City of Oakland

### 11.1.4 Awards and Recognition

**Table 11.3** lists the awards the City of Oakland has reported receiving since the 2008 Municipal Service Review (MSR).

**TABLE 11.3**  
**CITY OF OAKLAND**  
**AWARDS**

Award	Issuer	Year(s) Received
Distinguished Budget Award	Government Finance Officers Association	1988 – 2015
Certificate of Achievement for Excellence in Financial Reporting	Government Finance Officers Association	2001 – 2015
Excellence in IT Practices	Municipal Information Systems of California	2014
Digital Cities Survey Award	Center for Digital Government	2014 and 2015
Sustainability Practices Award	Norther California American Public Works Association	2013
#5 Best Place to Visit in the World	New York Times	2012

Source: City of Oakland

## 11.2 Service Review Determinations

The purpose of this MSR is described in Chapter 1. The Cortese-Knox-Hertzberg Government Reorganization Act of 2000 (CKH Act) requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR Update, the following analysis informs the determinations which have been prepared for the City of Oakland.

### 11.2.1 Growth and Population Projections

According to the 2016 California Department of Finance estimates, the City of Oakland serves 422,856 residents within its municipal boundary.

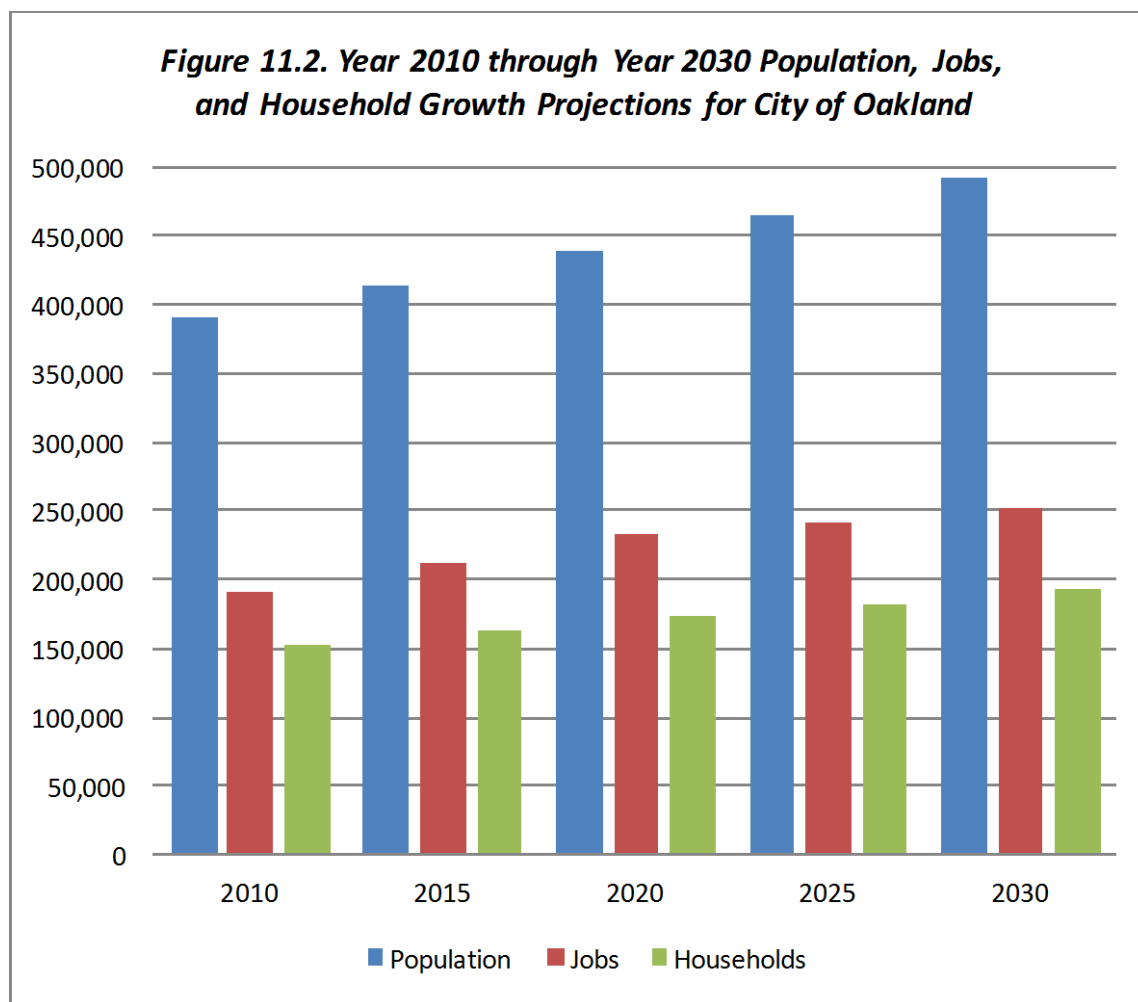
#### 11.2.1.1 Projected Growth and Demographic Changes

As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>2</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes 30-year growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for the City of Oakland are depicted in **Figure 11.2**.

ABAG projects that the City's population will grow at an annual rate of 1.2% to a population of 492,100 in 2030. The City of Oakland is also projected to experience a 1.4% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.

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<sup>2</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.



**Jobs and Housing**

According to ABAG Bay Area Census data<sup>3</sup> for 2010, the City of Oakland has 183,285 employed residents. The ABAG and MTC jobs forecast estimates 190,490 jobs in the City, with approximately 1 job for every employed resident. ABAG estimates that the City of Oakland has 169,710 housing units, which results in a job/housing balance of 1.1. The number of renter-occupied units in the City is greater than the number of owner-occupied housing units (**Table 11.4**), indicating that the rental household rate exceeds the rate of homeownership.

<sup>3</sup> ABAG Bay Area Census data are derived from US Census data specific to the Bay Area.



**TABLE 11.4**  
**CITY OF OAKLAND**  
**HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	63,142
Renter-occupied housing units	90,649
Other <sup>1</sup>	15,919
Total existing housing units	169,710
<b>Regional Housing Need Allocation by Income Category 2014-2022</b>	
Above moderate	7,816
Moderate	2,815
Low	2,075
Very low	2,059
<i>Total Regional Housing Need Allocation</i>	<i>14,765</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their housing element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>4</sup> The City of Oakland was assigned a RHNA of 14,765 units, as shown in Table 11.4.

The City adopted its General Plan in 1998 and its Housing Element in December 2014. The City has identified seven potential PDAs for infill development, including housing. The City's 2015–2023 Housing Element identifies adequate sites, anticipated to yield 10,032 units, which are appropriately zoned to address the affordable housing demand in addition to the 7,938 planned and approved units, and anticipated to meet and exceed its 2014-2022 assigned RHNA. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *Planning for an Aging Population*

The number of adults age 50 and older in Alameda County is projected to grow from 449,754 in 2010 to 701,000 in 2030, an increase of 55.9% and representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>5</sup>

The City of Oakland provides the following city programs pertaining to an aging population: Access Improvement Program, Minor Home Repair, Home Maintenance Improvement Program, Safe Housing Paint Program, Senior Citizen Utility Assistance Program, Oakland Vietnamese

<sup>4</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>5</sup> Year 2010–2030 ABAG projections.

Senior Project, Alameda County Food Bank, Alzheimer's Services of the East Bay – Adult Day Health, Eastmont Technology Learning Center, Rebuilding Together/Home Repairs and Safety/Accessibility Modifications, and Community Housing Services. Through the Oakland Public Library, the City provides extended services to patrons with disabilities, computer basics in Cantonese and Mandarin, and *Ready, Set, Connect!* tech assistance for seniors. In addition, Oakland Parks and Recreation provides numerous activities for seniors and the Department of Human Services holds 112 programs for seniors at their various facilities.

The City also has numerous planning documents which address the provision of services for an aging population, including its General Plan Land Use Element and Housing Element, the Lake Merritt Station Area Plan, and the 2002 Pedestrian Master Plan. These plans contain policies on affordable housing, including housing for seniors, and community resources and facilities.

### ***11.2.1.2 Anticipated Growth Patterns***

The City of Oakland has identified numerous projects as part of their FY17–FY22 projected growth. These projects include over 18,000 dwelling units and over 2.2 million commercial square feet. These projects are either approved or in the approval process. The City did not report entitled residential acres and undeveloped entitled residential acres separately.

PDA's, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. Seven PDA's have been identified for the City of Oakland in Plan Bay Area. The Coliseum BART Station Area and West Oakland PDA's are characterized as future transit town centers. The Eastmont Town Center, Fruitvale and Dimond Areas, and MacArthur Transit Village PDA's are characterized as future urban neighborhoods. The Downtown and Jack London Square PDA is characterized as a future regional center and the Transit Oriented Development Corridors PDA is characterized as a mixed use corridor.

The Coliseum BART Station Area PDA consists of 1,125 acres bounded by 54<sup>th</sup> Avenue, International Boulevard, 85<sup>th</sup> Avenue, and the waterfront. The Downtown and Jack London Square PDA consists of 865 acres bounded by the estuary channel, I-980, I-580, Broadway, Lake Merritt, and 5<sup>th</sup> Avenue. The Eastmont Town Center PDA consists of 575 acres bounded by Harmon Avenue, 58<sup>th</sup> Avenue, MacArthur Boulevard, 109<sup>th</sup> Avenue, and 75<sup>th</sup> Avenue. The Fruitvale and Dimond Areas PDA consists of 1,165 acres bounded by I-880, 22<sup>nd</sup> Avenue, Foothill Boulevard, Fruitvale Avenue, MacArthur Boulevard, Coolidge Avenue, Foothill Boulevard, 58<sup>th</sup> Avenue, and 54<sup>th</sup> Avenue. The MacArthur Transit Village PDA consists of 830 acres bounded by I-580, the border with Emeryville, Highway 24, and Piedmont Avenue. The Transit Oriented Development Corridors – International Boulevard consists of 691 acres bounded by Seminary Avenue (west) the City border (east), and two blocks north and south of International Boulevard.

Priority Conservation Areas (PCAs), which are areas of regionally significant open space facing development pressure, also help form the implementing framework for Plan Bay Area. Several PCAs have been identified in the City of Oakland, as described below.

The South Hills, San Leandro Creek PCA is adjacent to the 143-acre Dunsmuir Ridge Open Space and is connected through the Lake Chabot Municipal Golf Course to Anthony Chabot Regional Park. The PCA consists of significant reaches of two tributaries to San Leandro Creek, both of which provide good riparian habitat connected to adjacent California bay forest habitat. Preservation of the South Hills, San Leandro Creek PCA would protect headwater source areas and provide important habitat for wildlife; help to buffer existing open space areas from encroaching development; and provide opportunities for developing trails to connect several regional resources, making the area more accessible for visitors from throughout the region.<sup>6</sup>

The Leona Canyon Creek Tributaries PCA is in the Oakland Hills just south of Skyline Boulevard and adjacent to the Leona Canyon Regional Open Space Preserve. The PCA represents an opportunity to protect the tributaries of the Rifle Range Branch stream and adjacent hillslopes, which would maintain the link between the Rifle Range Branch valley habitat and the hills and headwaters areas of the watershed at this site. Such linkages allow for movement between the hills and the valley for songbirds, deer, and other species that prefer dense riparian vegetation for nesting or resting habitat, but forage in open areas. Protection of the Leona Canyon Creek Tributaries PCA could provide opportunities for additional trail connections to the preserve, which would improve the accessibility and visibility of this regional resource and would also protect downstream areas against sedimentation and would generally provide local water quality benefits.<sup>7</sup>

The Ridgemont West PCA is in the hills of the City of Oakland, on the southern edge of Leona Heights Park and adjacent to Merritt College. The PCA contains significant sections of mature, intact native oak woodlands and the dense understory, abundant berries, and patches of riparian woodland provide wildlife habitat for a variety of species. Habitat quality is enhanced by the extensive adjacent natural areas of Leona Heights Park, York Trail Park, and the nearby Leona Canyon Open Space Preserve. The Ridgemont West PCA is valued for its recreational opportunities—several pathways traverse the area and are popular among hikers, bikers, trail runners and dog walkers, and several trails link to the nearby parks and open space. It is also a headwaters within the Lion Creek Watershed, a watershed that covers approximately 2,677 acres. Land conservation in this area would protect downstream areas against sedimentation caused by upstream erosion of hillslopes and unvegetated trails and would enhance open space connectivity and access.<sup>8</sup>

The Butters Canyon, Peralta Creek PCA is in the hills of East Oakland above Highway 13, just off Joaquin Miller Road. Butters Canyon is the headwaters of Peralta Creek and preservation would help to improve water quality and provide a critical connection in a wildlife corridor between large landholdings in the lower Peralta Creek area and the Oakland Hills. The PCA provides

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<sup>6</sup> Alameda County Transportation Commission. Alameda County PDA Investment and Growth Strategy, March 2013.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

habitat for special status animals, as well as native plant communities, and also provides recreation for pedestrians, bicyclists, and equestrians. Trails through the canyon have the potential to offer connections to Joaquin Miller Park, Redwood Regional Park, and the Bay Area Ridge Trail.<sup>9</sup>

The Temescal Creek/North Oakland PCA is in the hills of the City of Oakland, along the ridge above the Caldecott Tunnel and is adjacent to the Caldecott Corridor, a critical linkage between open spaces to the north and south of Highway 24. Conservation of the PCA, would protect downstream areas against sedimentation caused by upstream erosion of hillslopes and unvegetated trails as well as prevent development from encroaching on the use of the corridor by large mammals such as mountain lions, coyotes, and gray fox that avoid human disturbance. In addition, both the north and south branches of the tributary within the Temescal Creek/North Oakland PCA provide riparian habitat with dense vegetation dominated by native species adjacent to non-native forest, and contiguous with a large natural area extending north across the Caldecott Tunnel.<sup>10</sup>

The Potential Oakland Gateway Area PCA lies along the waterfront of the Oakland Estuary. This PCA, which was identified in the 2007 East Bay Regional Park District Master Plan Map as a priority area for future development as a regional shoreline, provides significant recreational, interpretive, natural, or scenic values on land, water, and tidal areas along the San Francisco Bay and the Sacramento/San Joaquin Delta.<sup>11</sup>

The East Bay Greenway PCA is in the cities of Oakland, San Leandro, and Hayward, as well as unincorporated Alameda County. The PCA is a planned bicycle and pedestrian pathway that extends from the City of Oakland to the City of Hayward underneath the elevated BART tracks. This 13-mile greenway will run through four jurisdictions and connect five BART stations, as well as other regional destinations, such as the Oakland Coliseum and Bay Fair Center. Neighborhoods adjacent to the East Bay Greenway PCA are experiencing significant new growth, and already lack sufficient parks and opportunities for recreation. Once complete, the East Bay Greenway will be an amenity for these neighborhoods that increases connectivity, promotes health, and makes the surrounding areas more livable.<sup>12</sup>

The City of Oakland does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI.

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<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

## 11.2.2 Boundaries, Islands, and Disadvantaged Unincorporated Communities

The City of Oakland’s SOI is primarily coterminous with its municipal boundary except for a small area near Panoramic Way on the northern side of the city that is in Berkeley’s SOI. Oakland’s SOI and municipal boundary extend into the San Francisco Bay (see Figure 11.1).

The Oakland Fire Department provides fire suppression and emergency response services outside of the City of Oakland when requested via a mutual aid agreement. Oakland has existing mutual aid agreements with Alameda County, and the cities of Albany, Berkeley, Emeryville (via Alameda County Fire), Piedmont, and the East Bay Regional Park District. The City of Oakland also responds to aid requests and calls for service on I-580 and I-880.

Oakland Public Works provides sewer service to properties on the border of Berkeley, Skyline, and Grizzly Peak (Alameda and Contra Costa County border). The Oakland Public Library provides library services to the cities of Emeryville and Piedmont.

The City does not anticipate any changes to its SOI and does not provide additional services (other than those mentioned) to areas outside its municipal boundaries or SOI.

### 11.2.2.1 Disadvantaged Unincorporated Communities

There are no unincorporated islands in the City of Oakland. There are no identified DUCs within or contiguous to the SOI for the City of Oakland and therefore, no DUCs are relevant to this analysis.

## 11.2.3 City Services Overview

As noted in Section 11.1 and as shown in **Table 11.5**, municipal services for the City of Oakland are provided by City staff and under contract with other service providers. Municipal services considered in this update are discussed individually below. Stormwater, water, and wastewater services will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

**TABLE 11.5**  
**CITY OF OAKLAND**  
**MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	City of Oakland	—
Fire and Emergency Response	City of Oakland	—
Law Enforcement	City of Oakland	—
Library	City of Oakland	—
Lighting	City of Oakland	—
Parks and Recreation	City of Oakland	—
Planning/Building	City of Oakland	—

Service	Primary Service Provider	Non-city Service Provider
Solid Waste	—	Waste Management
Stormwater	City of Oakland	Alameda County Flood Control Zone 12
Streets	City of Oakland	—
Utilities:		
Electricity	—	Pacific Gas & Electric
Gas	—	Pacific Gas & Electric
Broadband	—	Comcast, AT&T, Sonic.net
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Mosquito Abatement District
Water	—	East Bay Municipal Utility District
Wastewater	City of Oakland	East Bay Municipal Utility District

Source: City of Oakland

In the years since the 2008 MSR update, the City has added new services and discontinued other services, as detailed below.

### Police

- Ceasefire Program
- Crisis Intervention Training re: mental health
- Body-worn cameras
- The Federal Bureau of Investigation shared space with Homicide Section
- The Federal Bureau of Alcohol, Tobacco, Firearms and Explosives has two Oakland Police Department detectives
- The Federal Drug Enforcement Agency has one Oakland Police Department detective
- The Family Justice Center is shared by Oakland Police Department, Alameda County District Attorney, and Bay Area Women Against Rape

### Fire

- Transition to the East Bay Regional Communications System (EBRCS)
- In 2014, the City Council approved joining EBRCS. EBRCS is a P-25 compliant communications system that, when complete, will provide fully interoperable communications to all public agencies within Alameda and Contra Costa counties. The system is designed and sized to offer participation to adjoining counties, as well as State and Federal agencies. Oakland's migration to EBRCS was completed in 2016.
- Brown Outs
  - In fiscal year 2012-13, the Department was asked to implement "brown outs" or to temporarily close 2 fire stations on a rotating basis. The brown outs were a cost-saving measure enacted by the City to balance the 2011-13 budget. Brown outs ceased in 2013, and services have been restored at all stations.
- Facilities Shared with Other Agencies

- Fire Station 22 is housed at a facility owned by the Port of Oakland. The City of Oakland is under contract with the Port of Oakland to provide emergency response at the Oakland Airport.
- Facility Upgrades
  - In 2013, the City constructed a new Station 8. The new facility greatly increased the square footage of the station. Previously, Station 8 housed a single engine company, and it now houses an engine and truck company.
  - The Emergency Operations Center and Fire Dispatch Center were upgraded with new technology and equipment. These improvements were jointly managed by staff from the Oakland Fire and Information Technology Departments.

### **Planning and Building**

- Planning and Building provide permitting assistance, and long-range planning.
- Specific Plans – Engaged in substantial and specific planning efforts.
- Code Enforcement – Modified the code enforcement program to increase transparency and improve opportunities for resident and business compliance prior to financial penalties.
- Mills Act Program - provides reduction in property taxes to owners of historic homes in exchange for upkeep and restoration of those properties.
- Mobile Food Vending – pilot program to allow for group sites for mobile food vending in public right of ways throughout the City.
- Parklets - A temporary use of space in the dedicated public right-of-way (parking spaces, unused bus stops, and other types of vehicular and non-vehicular zones) for public uses such as seating or bicycle racks.

### **Animal Services**

- Innovative ideas for efficiency: fostering, working (aka "barn") cats program, other promotional adoption/outreach programs, some community resource programs (e.g. vaccine clinics, interventions, fee waivers).

### **Library**

- Additions
  - Fines & Lost Book Forgiveness Campaign welcomed back 14,000 cardholders
  - Introduced a new Homework Program aimed at Teens and Children
  - May, 2008 broke ground for the 81<sup>st</sup> Avenue Library in East Oakland which opened in 2011 and received LEED Gold recognition
  - Renovations and facility efficiencies at Martin Luther King, Jr. Library
  - Digital/eBook introduced and expanded
  - WiFi introduced at the Cesar Chavez, Dimond, and Rockridge Libraries
  - Summer lunches for children and teens were introduced in 2011 at the libraries
  - Main Library Teen Zone opened
  - Cesar Chavez Library initiated the first Seed Lending Library at Oakland Public Library

- In 2012, the Oakland Public Library, with Youth Speaks and Oakland Unified School District, launched the City's first Youth Poet Laureate competition
- The Popular Bike Library debuted in FY 2013-14 at the Life is Living Festival in West Oakland
- Deletions
  - Oakland Public Library lost 13% of its hours in FY 2009-10
  - Eliminated Bookmobile service in FY 2008-09
  - The Piedmont Avenue Library moved in 2012 to a site on Echo Street after more than 80 years on 41<sup>st</sup> Street
- Facilities Shared
  - 81<sup>st</sup> Avenue Library (OPL-OUSD Joint Use)
  - Piedmont Avenue Library (OPL-OUSD Joint Use)

### **Parks and Recreation**

- Added Facilities:
  - East Oakland Sports Center
  - Digital Arts and Culinary Academy
  - West Oakland Teen Center
- Added Programs:
  - Girls Sports serving teen girls through sports including non-traditional sports of boating & surfing, as well as providing etiquette, self-respect, and positive body image programs.
  - Resumed 6 days per week programming.
- Reductions:
  - Eliminated Radical Roving Recreation program serving at-risk youth
  - Closed Campbell Village Recreation Center
  - Eliminated services at 3 pools – Live Oak, McClymonds, Castlemont
  - Reduced service hours at citywide bBoating programs and reduced boat rental hours of operations.
  - Closed programming seasonally on Mondays during the school-year.
  - Shift of program funding in the amount of \$626,153 from General Fund 1010 to Self-Sustaining Fund 1820.
  - Eliminated most free programs; converted to fee-based.
  - Increased amounts charged for existing fee-based programs.
- Facilities Shared:
  - Verdese Carter Recreation Center – operated by Police Athletic League
  - Head Start shared space at Parks & Recreation Centers—Manzanita, San Antonio, Tassafaronga, Arroyo Viejo, Franklin



## Public Works

- 2007-2008
  - Transfer Design and Construction Services to Community and Economic Development Agency
  - Transfer Watershed Program to Community and Economic Development Agency
  - Transfer Contract Administration to Department of Contracting and Purchasing
- 2009-2010
  - Eliminated 12 Maintenance Workers
  - Reduced 3.0 FTE Litter Enforcement Officers
  - Reduced Street Maintenance Services by 14.8 FTE
  - Reduced Park Maintenance by 13.7 FTE
  - Reduced Facilities support by 15.7 FTE
  - Reduced Administrative Support staff by 4.8 FTE
- 2010-2011
  - Return Design and Construction Services to Public Works from Community and Economic Development Agency
  - Reduced 12.0 FTE from Street Maintenance program
- 2011-2012
  - Reduced Tree Services by 7.0 FTE
  - Reduced Park Maintenance staff by 3.0 FTE
  - Ended Litter Enforcement program, eliminated 3 Litter Enforcement Officers
  - Converted Park Maintenance staff from Gardener IIs to Park Attendants
  - Increased Sewer Maintenance staff by 12.0 FTE
- 2012-2013
  - Assumed responsibility for ADA Program and Parking Meter Repair
- 2013-2014
  - Increased Park Maintenance staffing 8.5 FTE
  - Added Street Maintenance Crew 3.0 FTE
  - Increased staffing to Illegal Dumping and Graffiti Abatement Programs 4.0 FTE
  - Restored staffing to Facilities Maintenance 9.0 FTE
  - Upgraded Parking Meters throughout City
  - Began implementation and planning of Bus Rapid Transit line
  - Converted all Street Lights in the City from High Pressure Sodium to LED lighting reducing electricity usage by 40%.
- 2015-2016
  - Add Street Maintenance Crew 4.0 FTE
  - Assumed responsibility for Ball Field Maintenance from Park & Recreation

The City of Oakland reports the following opportunities and challenges related to its provision of municipal services:

**Opportunities**

- Development
- Creation of housing for all
- Equitable growth

**Challenges**

- Homelessness
- Crime
- Budget (e.g., increases in Cal-PERS, health care, and other costs)

A summary of the City's municipal service level statistics for FY 2015 is provided in Table A.10 of **Attachment A**.

*11.2.3.1 Animal Control, Vector Control*

The City of Oakland, Oakland Animal Services is the animal control service provider. Oakland Animal Services responds to animal-related calls for service including helping stray, injured, abandoned, neglected, and mistreated animals as well as for the enforcement of all state and local animal welfare laws within the City. City expenditures for animal control services were \$3,033,687 for FY 2015.

For FY 2015, approximately 17 dog licenses were issued per 1,000 population, up from 4 per 1,000 in 2008, for a total of 6,533 dog licenses issued. The number of animals handled by the City of Oakland in 2015 was 5,506, up from 4,719 in 2008. The City received 7,522 calls for service in 2015.

Throughout Alameda County, and including the City of Oakland, vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, including the City of Oakland.

### ***11.2.3.2 Fire and Emergency Response***

The City of Oakland provides fire protection and emergency response services. The Oakland Fire Department implements comprehensive strategies and training in fire prevention, fire suppression, emergency medical services, and all risk mitigation, including human-caused and natural disasters, emergency preparedness, 9-1-1 services, and community-based fire services. In addition, the Oakland Fire Department has an Urban Search and Rescue Task Force Team certified by the Federal Emergency Management Agency. The Oakland Fire Department is the Sponsoring Agency for California Task Force 4. This team includes men and women from 15 fire agencies from throughout the greater Bay Area, as well as trained experts in other fields, such as physicians and engineers. California Task Force 4 trains regularly and stands prepared to respond on short notice to requests for assistance within California or other parts of the United States. Fire protection service expenditures were approximately \$113.5 million for FY 2015.

There were 72,803 reported calls for fire and emergency response service in 2015, up from 46,717 in 2008. Average fire and emergency response times for 2015 were 8:30 94% of the time.<sup>13</sup> Average response time was 6 minutes in 2008. The National Fire Protection Association standard requires fire and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>14</sup>

The Oakland Fire Department has 25 fire stations, most of which were built 50 – 60 years ago and therefore have significant structural, mechanical, plumbing, electrical, or architectural deficiencies. Of these, 3 need full replacement and 18 stations need a variety of improvements.

The existing fleet of 54 front-line fire apparatus contains 26 vehicles which are 14 years or older. Overall, the fleet condition ranges from excellent to poor. The City has an ongoing equipment replacement program that will eventually replace all fire equipment. At the conclusion of the current 5-year purchasing cycle, 45 of the 123 active units assigned to Oakland Fire Department will have been replaced.

### ***11.2.3.3 Law Enforcement***

The City of Oakland provides law enforcement and dispatch services. Police expenditures were approximately \$218.1 million for FY 2015. Police expenditures accounted for 42.8% of General Fund expenditures.

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<sup>13</sup> Per its First Responder Life Support Agreement with Alameda County, the City of Oakland Fire Department must respond with 8:30 at least 90% of the time.

<sup>14</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

The City of Oakland has approximately 1.7 FTE sworn personnel per 1,000 population, which represents a decrease from approximately 1.9 FTE in 2008. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>15</sup> There was an increase in crimes per sworn FTE from approximately 20.4 in 2008 to approximately 25.3 in 2015. The property crime clearance rate (a measure of crimes solved) rose to 0.59 per 1,000 population in 2015 from 0.054 per 1,000 population in 2008. The violent crime clearance rate dropped to 1.44 per 1,000 population in 2015 from 2.02 per 1,000 population in 2008.<sup>16</sup>

The Oakland Police Department is based out of two main locations—the Police Administration Building and the Eastmont Mall Substation. The Police Administration Building is over 55 years old and has many deficiencies, despite being structurally retrofit over 10 years ago to make the structure compliant with Life Safety Standards. The Police Administration Building does not meet Essential Services Building Standards, which may not allow the facility to function after a major seismic event, building and system improvements are needed, and the Crime Lab needs significant expansion. The Eastmont Mall Substation, a leased facility, is in generally good condition, but is not rated as an Essential Services facility. Preliminary plans and studies to find and develop a new single and larger Police Station/Headquarters are under way.

With respect to equipment, the existing fleet is aging. The industry accepted age for law enforcement vehicles is 36 months and the average age of City law enforcement vehicles is 96 months. The City has an equipment replacement program that will eventually replace all police vehicles. At the conclusion of this year's purchasing cycle, 259 of the 731 currently active units will have been replaced in a 5-year period.

#### *11.2.3.4 Library*

The City of Oakland provides library services within the City, with several locations. The Oakland Public Library system includes 16 branch libraries as well a Main Library and the African American Museum and Library at Oakland. Library expenditures were \$62.48 per capita (\$26.2 million total) for FY 2015, up from approximately \$60.97 per capita (\$23.8 million) in FY 2008.

Average circulation per capita was 5.92 in 2015, up from 5.28 in 2008, and 0.67 public access computer was provided per 1,000 population in 2015, which was up from 0.39 in 2008.

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<sup>15</sup> National Sources of Law Enforcement Employment Data. April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

<sup>16</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>17</sup> Select statistical data for the most recent year (FY 2014/2015) is provided in this MSR Update for comparative purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY2014/2015.

### ***11.2.3.5 Lighting and Streets***

Lighting (street and traffic) is provided and maintained by the City of Oakland. City expenditures for light and signal maintenance were \$7,922 per street mile for FY 2008. The City of Oakland reported a total of \$6,231,090, or \$7,498 per street mile, FY 2015 expenditures for traffic and street lighting.

The City of Oakland provides and maintains 831 street miles and 84 Class 1 and 2 bike lane miles. FY 2014-15 total expenditures on street and sidewalk infrastructure maintenance were \$8,345,822.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in the City of Oakland was 59 (at risk) in 2009.<sup>18</sup> An "at risk" PCI (50-59) indicates deteriorated pavement requiring immediate attention, including rehabilitative work. The PCI decreased to 57 in 2015 and remains well below the target PCI of 75 (good) MTC has established.<sup>19</sup>

### ***11.2.3.6 Parks and Recreation***

The City is the primary service provider for parks and recreation. FY 2015 expenditures for parks were \$35,726,000. In 2008, expenditures were \$11,067 per acre for major maintenance.

The City provides and maintains 1.5 park acres per 1,000 residents, 0.6 recreation center, and 40.2 miles of recreational trails.

The City's Parks and Recreation Department has 20 recreation centers, six swimming pools and two boating centers. Many of the City's recreational facilities are reaching the end of their life cycle (most were built in the 1960 or 1970s) with outdated building systems and require full renovation or reconstruction. Parks and associated supporting structures require resources to

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<sup>17</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lids/librarystats.html>

<sup>18</sup> 2008 data were not available

<sup>19</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

maintain optimal conditions. Restrooms are one of the City's priorities for updating and renovation. Very little maintenance is performed by the City on trails due to funding cuts in 2008 when the open space crew was discontinued.

The bi-annual Park Project Prioritization List is developed to prioritize specific projects within each City Council District. The Park Project Prioritization List is reviewed and adopted by Council, and provides a horizon of facility and sites for improvements over the upcoming years and as funds become available.

The City also works with the East Bay Regional Park District to fund park improvements through Measure WW funding. Since approval of the Measure WW Bond in 2008, \$19.2 million in local grant funds have been provided to City park projects. Of the 25 projects proposed, the City has completed 13 projects and the remaining 12 projects are ongoing or pending.

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. The City of Oakland's level of service standard is 4 acres per 1,000 new residents.

### *11.2.3.7 Planning and Building*

The City of Oakland Planning and Building Department provides planning and building services, working with communities to translate their visions for Oakland into plans, policies, and regulations that guide the future development of the city. The Department implements these plans, policies, and regulations to promote a sustainable, livable, safe, and equitable city. FY 2014-15 total expenditures for planning & building services were \$25,954,608.

The City issued 3,895 residential and commercial building permits in 2015, down from 4,034 in 2008.<sup>20</sup> Total building permit valuation in FY 2015 is estimated at \$182.6 billion, up from \$163.9 billion in 2008, which represents an increase of 11.4%. The adopted planning documents reported by the City are listed in **Attachment B**.

### *11.2.3.8 Solid Waste*

Solid waste services are provided to the City of Oakland by Waste Management. Waste Management transports solid waste collected from the City of Oakland to the Altamont Landfill and Resource Recovery Facility in Livermore. FY 2014-15 total expenditures on recycling and solid waste environmental services were \$9,119,283.

The City reported 0.62 ton of waste disposed per capita for FY 2015, and a total diversion rate of 71%. The FY 2015 per resident disposal rate was 3.4 pounds/resident/day.

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<sup>20</sup> The City does not track residential and commercial building permits separately.

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

### ***11.2.3.9 Utilities and Broadband***

Pacific Gas & Electric provides gas and electricity services to the City of Oakland. Permits for Pacific Gas & Electric gas line work are issued with conditions of approval. The work is largely dictated, however, by Pacific Gas & Electric's safety and infrastructure condition needs, and the City works with them to facilitate and, if need be, expedite permitting and inspections. Oakland is a member of the recently formed East Bay Community Energy Authority.

The City does not provide public broadband service. XFINITY from Comcast, AT&T U-verse, and Sonic.net each offer internet access to the city. These providers use a variety of wired technologies including cable and DSL. The City of Oakland did not indicate concerns about the availability or reliability of high-speed internet services. The California Public Utilities Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report card for 2013. The City of Oakland received a grade of C, which indicates that internet service providers meet the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.<sup>21</sup>

The City did not indicate concerns about the ability of utility service or broadband providers to serve its existing or growing population.

## **11.2.4 City Services Determinations**

### ***11.2.4.1 Present and Planned Capacity of Facilities, Adequacy of Public Service***

As noted above, there are no DUCs within or contiguous to the City's SOI.

Average fire and emergency response times for 2015 were 8:30 94% of the time, which exceeds the goal of 90% per the City's First Responder Life Support Agreement with Alameda County.

The City of Oakland reports that it adequately serves all areas within its SOI and municipal boundary and anticipates it will continue to do so in the foreseeable future.

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<sup>21</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www. bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).

### ***Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs***

As an indication of the need for infrastructure investment, the pavement condition index (PCI) for streets in the City of Oakland was 57 (at risk) for 2015.<sup>22</sup> This is well below the target of 75 MTC has established. Oakland is one of four cities in Alameda County which have “at risk” PCIs between 50 and 59.

When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

### ***Consistency with Capital Improvement Plans***

The City’s Capital Improvement Plan (CIP) is based on the individual department’s program needs and assessments. The project assessments from individual departments are subjectively based on the City Council’s 2004 adopted evaluation criteria. The City’s top three capital priorities are technology enhancements, museum buildings and facilities, and public works buildings and facilities.

### ***Consistency with Local and Regional Land Use Plans and Policies***

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City’s General Plan. The City’s 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

## ***11.2.4.2 Status and Opportunities for Shared Facilities***

### ***Current Shared Services***

The City provides an array of municipal services, with the exception of solid waste, stormwater, utilities and broadband, vector control, and water services. These services are provided via contract with Alameda County, public vendors, or private vendors. The City provides fire suppression and emergency response services via existing mutual aid agreements with Alameda County, and the cities of Albany, Berkeley, Emeryville (via Alameda County Fire), Piedmont, and the East Bay Regional Park District. Oakland’s Fire Station 22 is housed at a facility owned by the Port of Oakland. The Oakland Public Library provides library services to the cities of Emeryville and Piedmont. Oakland Public Works provides sewer service to properties on the border of Berkeley, Skyline, and Grizzly Peak. The City does not share other facilities or services.

Although not related to the services reviewed under this Municipal Service Review update, the City of Oakland has identified an opportunity for the Oakland Housing Department to work

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<sup>22</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>



more collaboratively with Alameda County Public health and Social Services for the provision of housing related services.

Currently, there is no contract in place for the provision of library services to Emeryville and Piedmont; the previous contracts for both expired in 2008. There is no correlation between what either city pays currently and what it receives in services. Therefore, the City may consider the following:

- Establish payment for library services based on a per-capita basis, similar to that of the Town of Hillsborough with the cities of San Mateo and Burlingame
- Contract library services provided, based on the City of Oakland non-capital improvement per capita costs for library services. For the non-capital improvement costs, the parties should use previous year's audited actual costs. For population calculation, the parties should use the current figure provided by the State of California Department of Finance.

No additional areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

#### *Duplication of Existing or Planned Facilities*

This review did not identify any duplication of existing or planned facilities.

#### *Availability of Excess Capacity*

No excess service or facility capacity was identified as part of this review.

### **11.2.5 Financial Information**

This section provides an overview of the City's financial health and provides a context for assessing the City's financial ability to provide services.

Key FY 2015 financial information for City of Oakland municipal operations is discussed below. The information in this section has been obtained from the audited 2015 Comprehensive Annual Financial Report (CAFR) and from City staff. For comparative purposes, FY 2008 CAFR and staff-provided financial information is also included where available.

### 11.2.5.1 Revenues and Expenditures

A comparison of the revenues and expenditures for the City's governmental and proprietary funds is shown in **Table 11.6**.

**TABLE 11.6**  
**CITY OF OAKLAND**  
**COMPARISON OF REVENUE AND EXPENDITURES**  
**FY 2008 AND FY 2015**

	FY 2008	FY 2015
Total Revenue	\$1,002,500,000	\$1,149,219,000
Total Expenditures	\$1,017,768,000	\$874,695,000
<b>Net Surplus/(Deficit)</b>	<b>(\$15,268,000)</b>	<b>\$274,524,000</b>

In FY 2015, total expenditures for the City of Oakland exceeded \$874 million, which represents a decrease of approximately \$143 million from FY 2008.

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and expenditures for the General Fund are shown in **Table 11.7**. General Fund expenditures constituted approximately 58% (\$509.7 million) of the total expenditures.

**TABLE 11.7**  
**CITY OF OAKLAND**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Property Taxes	\$201,765,000	\$228,072,000
Sales and Use Tax	\$53,090,000	\$48,827,000
Motor Vehicle In-lieu Tax	\$1,811,000	\$177,000
Local Taxes	\$175,986,000	\$224,092,000
Licenses and Permits	\$1,612,000	\$1,573,000
Fines and Penalties	\$21,653,000	\$23,146,000
Interest and Investment Income	\$10,885,000	\$1,088,000
Charges for Services	\$55,048,000	\$82,461,000
Federal and State Grants, Subventions	\$5,935,000	\$8,003,000
Other	\$13,936,000	\$6,547,000
<b>Total Revenue</b>	<b>\$541,721,000</b>	<b>\$623,986,000</b>

Type	FY 2008	FY 2015
Expenditures by Program		
General Government	\$78,355,000	\$76,207,000
Police	\$203,954,000	\$218,143,000
Fire	\$106,006,000	\$113,553,000
Parks and Recreation	\$16,907,000	\$20,071,000
Library	\$11,817,000	\$9,141,000
Cultural Arts and Museum	\$6,561,000	—
Aging and Health and Human Services	\$6,334,000	—
Human Services	—	\$5,935,000
Community and Economic Development	\$8,161,000	\$10,607,000
Public Works	\$32,499,000	\$38,703,000
Other	\$9,115,000	\$6,581,000
Capital Outlay and Debt Service	\$8,788,000	\$10,765,000
<b>Total Expenditures</b>	<b>\$488,497,000</b>	<b>\$509,706,000</b>
<b>Net Surplus/(Deficit)</b>	<b>\$53,224,000</b>	<b>\$114,280,000</b>

Total General Fund expenditures have increased by approximately \$21.2 million (4%) since FY 2008. The major expenditure of the City's General Fund is Police Services, which accounts for 44.7% (\$228 million) of the fund's annual expenditure stream.

The major revenues to the City's General Fund are taxes, which comprise approximately 94% of the fund's annual revenue stream, and which in FY 2015 were above FY 2008 levels. **Table 11.8** provides a comparison of overall tax revenues.

**TABLE 11.8**  
**CITY OF OAKLAND**  
**COMPARISON OF TAX REVENUES**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Property Tax	\$207,765,000	\$228,072,000
Sales Tax	\$53,090,000	\$48,827,000
Business License Tax	\$52,542,000	\$66,677,000
Real Estate Transfer Tax	\$36,205,000	\$62,665,000
Utility Users Tax	\$52,524,000	\$50,594,000
Charges for Service	\$55,048,000	\$82,461,000
Motor Vehicle in-lieu Tax	—	\$177,000
Parking Tax	—	\$9,377,000
Franchise Tax	—	\$17,921,000
Transient Occupancy Tax	—	\$16,898,000
Total tax revenue	\$457,174,000	\$583,669,000

City of Oakland property tax revenue has increased by approximately \$20.3 million (9.8%) since FY 2008. The City's sales tax revenue has decreased by approximately \$4.2 million (8%) since FY 2008.

### 11.2.5.2 Debt

**Table 11.9** summarizes the City's obligations, debt, and liabilities.

**TABLE 11.9**  
**CITY OF OAKLAND**  
**COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES**  
**FY 2008 AND FY 2015**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$1,732,650	\$946,985,000
Ratio of Direct Debt <sup>1</sup> to Net Assessed Valuation	4.141%	2.18%
Ratio of Combined Debt <sup>2</sup> to Net Assessed Valuation	5.69%	5.49%
Unfunded Pension Liability	\$815,777,931	\$1,120,823,000

<sup>1</sup> General bonded debt

<sup>2</sup> Direct and overlapping debt

Standard and Poor's suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilized capital investment capacity. The City of Oakland has seen a substantial increase (546%) in its general bonded debt since 2008, to approximately \$2,240 per capita.<sup>23</sup> This represents the highest per capita debt burden in Alameda County. The ratios of direct debt and combined debt to net assessed valuation have decreased since FY 2008.

Similar to many cities, the City of Oakland has seen an increase in its reported unfunded pension liability, partially due to Governmental Accounting Standards Board (GASB) 68.<sup>24</sup> The City's unfunded pension liability<sup>25</sup> is approximately 180% of the general fund revenue for FY 2015 (i.e., almost double the general fund revenue would be needed to fully fund the existing pension liability if addressed all in one year). The City makes the full required California Public Employees Retirement System contribution each fiscal year. The City of Oakland's Consolidated Fiscal Policy specifically calls for certain non-recurring revenues to be used to pay down long-term obligations including those associated with personnel.

<sup>23</sup> Amounts from \$1,000 to \$2,500 per capita are considered by Standard and Poor's as a moderate level of debt.

<sup>24</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports.

<sup>25</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city's General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.

### 11.2.5.3 Reserves

The City's reserve policy is to maintain an unassigned general fund balance in an amount of at least 7.5% of the total General Purpose Fund expenditures. For the FY 2015, the unassigned General Fund balance of \$39.6 million met the 7.5% reserve goal.

Oakland's unassigned General Fund reserve levels have decreased by 69% since FY 2008 (**Table 11.10**).

**TABLE 11.10**  
CITY OF OAKLAND  
COMPARISON OF RESERVES  
FY 2008 AND FY 2015

	FY 2008	FY 2015
Unassigned General Fund Reserve Level	\$121,109,000	\$37,409,000
Economic Uncertainty Reserve Fund <sup>1</sup>	—	\$2,024,752

<sup>1</sup> Separate from General Fund Reserve

The City of Oakland's Consolidated Fiscal Policy creates two reserve funds for economic fluctuations and emergencies. The Emergency Fund is required to have an undesignated fund balance equal to 7.5% of the approved expenditures in the General Purposed Fund for that fiscal year. The Consolidated Fiscal Policy also requires that certain non-recurring revenues be deposited in the City's Vital Services Stabilization Fund for use when the City is experiencing an economic contraction or similar circumstance that necessitates reductions in City services.

### 11.2.5.4 Fiscal Health Indicators

Overall, the City of Oakland appears to be in positive fiscal health, as shown by the General Fund fiscal indicators in **Table 11.11**.

**TABLE 11.11**  
CITY OF OAKLAND  
GENERAL FUND FISCAL INDICATORS  
FY 2008 AND FY 2015

Indicator	FY 2008 Value	FY 2015 Value
Net Operating Deficit/Surplus	- \$34,223,000	\$12,480,000
Liquidity Ratio <sup>1</sup>	2.5	3.15
Fund Balance as Percent of Expenditures <sup>2</sup>	51%	52%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures

Since FY 2008, the City has turned a deficit into a surplus in their annual operating General Fund, resulting in a five-year surplus trend.

The City's Consolidated Fiscal Policy, Ordinance 13279 C.M.S. requires the City to commit funds for economic fluctuations and emergencies. The City did not report the amount committed. For the FY 2015, the unassigned General Fund balance of \$39.6 million met the 7.5% reserve goal.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Standard and Poor's has assigned Oakland a bond rating of AA- (high quality).

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). In the case of the City of Oakland, assets exceeded liabilities by \$86.3 million for FY 2015. At the end of FY 2015, the City of Oakland's governmental net position decreased \$1.2 billion. The decrease is due to a restatement of \$1.4 billion to the beginning net position due to the implementation of GASB 68. \$1.2 billion of the net position reflects the City's investment in capital assets (e.g., land, buildings infrastructure, facilities and equipment). The City of Oakland uses these assets to provide services to citizens; consequently, these assets are not available for future spending.

#### ***11.2.5.5 Financial Reporting***

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end. The City of Oakland published its CAFR for FY 2015 in a timely manner (within 6 months of the fiscal year end). The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

### **11.2.6 Financial Determinations**

#### ***11.2.6.1 Financial Ability of Agency to Provide Services***

The Municipal Capital Improvement Fund had a fund balance of \$245.7 million as of June 30, 2015, which represents an increase of \$39.4 million or 19.1% from FY 2014. The City has committed to funding in the amount of \$293.2 million to a number of capital improvement projects for FY 2016 through FY 2017. These projects include building and facilities improvements; parks and open space; sewers and storm drains; streets and sidewalks construction; technology enhancements and traffic improvements.

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Overall, the City of Oakland appears to have sufficient financial resources to continue providing services, as well as to accommodate infrastructure expansion, improvements, or replacement, as indicated below.

***Operating General Fund deficit and surplus trends for the past five years***

The City of Oakland reports a five-year trend of surpluses in their annual operating general fund.

***Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing***

For FY 2015, there were no transfers from the General Fund reserves to fund capital projects.

***Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year***

As of June 30, 2015 the unassigned general fund balance represented approximately 52% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

***Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year***

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 3.2, which indicates the City has the means available to cover its existing obligations in the short-term.

***Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report for the most recent fiscal year received a clean opinion and was issued within six months of fiscal year end***

The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

**11.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

***11.2.7.1 Online Availability of City Governance Information***

The City of Oakland website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

### 11.2.7.2 Online Availability of City Planning Information

The City of Oakland website provides public access to the City’s general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

### 11.2.7.3 Public Involvement

The City of Oakland website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 11.2.8 Service Review Determinations Summary

**Table 11.12** summarizes the service review determinations discussed throughout Section 11.2.

**TABLE 11.12**  
**CITY OF OAKLAND**  
**SUMMARY OF SERVICE REVIEW DETERMINATIONS**

Determination Area and Criteria	Determination
<i><b>Growth and population projections for the affected area</b></i>	
Projected growth and demographic changes in and around the agency’s service areas based on ABAG population projections	ABAG projects that the City’s population will grow at an annual rate of 1.2% to a population of 492,100 in 2030. The City of Oakland is also projected to experience a 1.4% annual growth rate in jobs between 2010 and 2030. Overall, the City’s planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	The City of Oakland does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI within the next five years.
<i><b>Location and characteristics of Disadvantaged Unincorporated Communities within or contiguous to the SOI</b></i>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	There are no identified DUCs within or contiguous to the SOI for the City of Oakland.
<i><b>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</b></i>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	As an indication of the need for infrastructure investment, the PCI for streets in the City of Oakland was 57 (at risk) for 2015. This is well below the target of 75 MTC has established. Oakland is one of four cities in Alameda County which have “at risk” PCIs between 50 and 59.



Determination Area and Criteria	Determination
	When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.
Consistency with capital improvement plans	The City's Capital Improvement Plan (CIP) is based on the individual department's program needs and assessments. The project assessments from individual departments are subjectively based on the City Council's 2004 adopted evaluation criteria. The City's top three capital priorities are technology enhancements, museum buildings and facilities, and public works buildings and facilities.
Consistency with local and regional land use plans and policies	The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

***Financial ability of the agency to provide services***

Operating General Fund deficit and surplus trends for the past five years	The City of Oakland reports a five-year trend of surpluses in their annual operating general fund.
Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing	For FY 2015, there were no transfers from the General Fund reserves to fund capital projects.
Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year	As of June 30, 2015 the unassigned general fund balance represented approximately 52% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.
Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year	The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 3.2, which indicates the City has the means available to cover its existing obligations in the short-term.
Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end	The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

***Status of and opportunities for shared facilities***

Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas	The City provides an array of municipal services, with the exception of solid waste, stormwater, utilities and broadband, vector control, and water services. These services are provided via contract with Alameda County or private vendors. The City provides fire suppression and emergency response services via existing mutual aid agreements with Alameda County, and the cities of Albany, Berkeley, Emeryville (via Alameda County Fire), Piedmont, and the East Bay Regional Park District. The Oakland Public Library provides library services to the cities of Emeryville and Piedmont. Oakland Public Works
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Determination Area and Criteria	Determination
	provides sewer service to properties on the border of Berkeley, Skyline, and Grizzly Peak. The City does not share other facilities or services.
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency’s website	The City of Oakland website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City’s biennial budget; and the City’s annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency’s website	The City of Oakland website provides public access to the City’s general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.
Time and place for public to provide input prior to decision being made	The City of Oakland website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 11.3 Sphere of Influence Review and Determinations

### 11.3.1 Sphere of Influence Recommendation

The SOI for the City of Oakland is coterminous with the municipal boundary, as shown in Figure 11.1. The City is surrounded by the cities of Alameda, Berkeley, Piedmont, and San Leandro and no further outward growth is possible.

This report recommends that Alameda LAFCo maintain and reaffirm the existing SOI for the City of Oakland.

This report also recommends that Alameda LAFCo encourage the cities of Oakland and Berkeley to initiate the reorganization of territory in the Panoramic Hill area.

### 11.3.2 Sphere of Influence Determinations for the City of Oakland

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 11.13**. These determinations are made as part of the review of the existing SOI and are based on the information in this City of Oakland MSR profile.

**TABLE 11.13**  
**CITY OF OAKLAND**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	The City of Oakland plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including residential, business, commercial, industrial, recreation, and open space. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (1998).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for the City of Oakland. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
<i>The present and probable future capacity of public facilities and services</i>	The present capacity of public facilities in the City of Oakland appears adequate. The City of Oakland anticipates it will continue to have adequate capacity during the next five years.
<i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i>	All communities of interest within the City's municipal boundary are included within the SOI. Alameda LAFCo has not identified specific social or economic communities of interest relevant to the City of Oakland.

Criteria	Determination
<p><i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i></p>	<p>The City of Oakland provides structural fire protection facilities and sewer services within its SOI; water services are provided by East Bay Municipal Utility District. There are no DUCs within or contiguous to the SOI for the City of Oakland and therefore no present or probable need for these facilities and services for DUCs.</p>

# Chapter 12

## City of Piedmont

### 12.1 Agency Overview



The City of Piedmont, incorporated in 1907, covers an area of 1.8 square miles. The 2010 U.S. Census Bureau data shows the population of Piedmont as 10,667. The California Department of Finance estimates the January 1, 2016 population of Piedmont as 11,219. The City has a population density of approximately 5,926 persons per square mile.

The City of Piedmont is encircled by the incorporated city of Oakland. Land uses in the City include a mix of estate residential, low-density residential, medium-density residential, mixed use, public facilities, and parks, recreation, and open space. The Sphere of Influence (SOI) for the City of Piedmont is coterminous with the municipal boundary, as shown in **Figure 12.1**.

The municipal services considered in this review that are provided by the City of Piedmont include: animal control, fire and emergency response, law enforcement, lighting, parks and recreation, planning/building, stormwater, and streets. Other services, such as solid waste, are provided under contract with other service providers.

#### 12.1.1 City Staffing

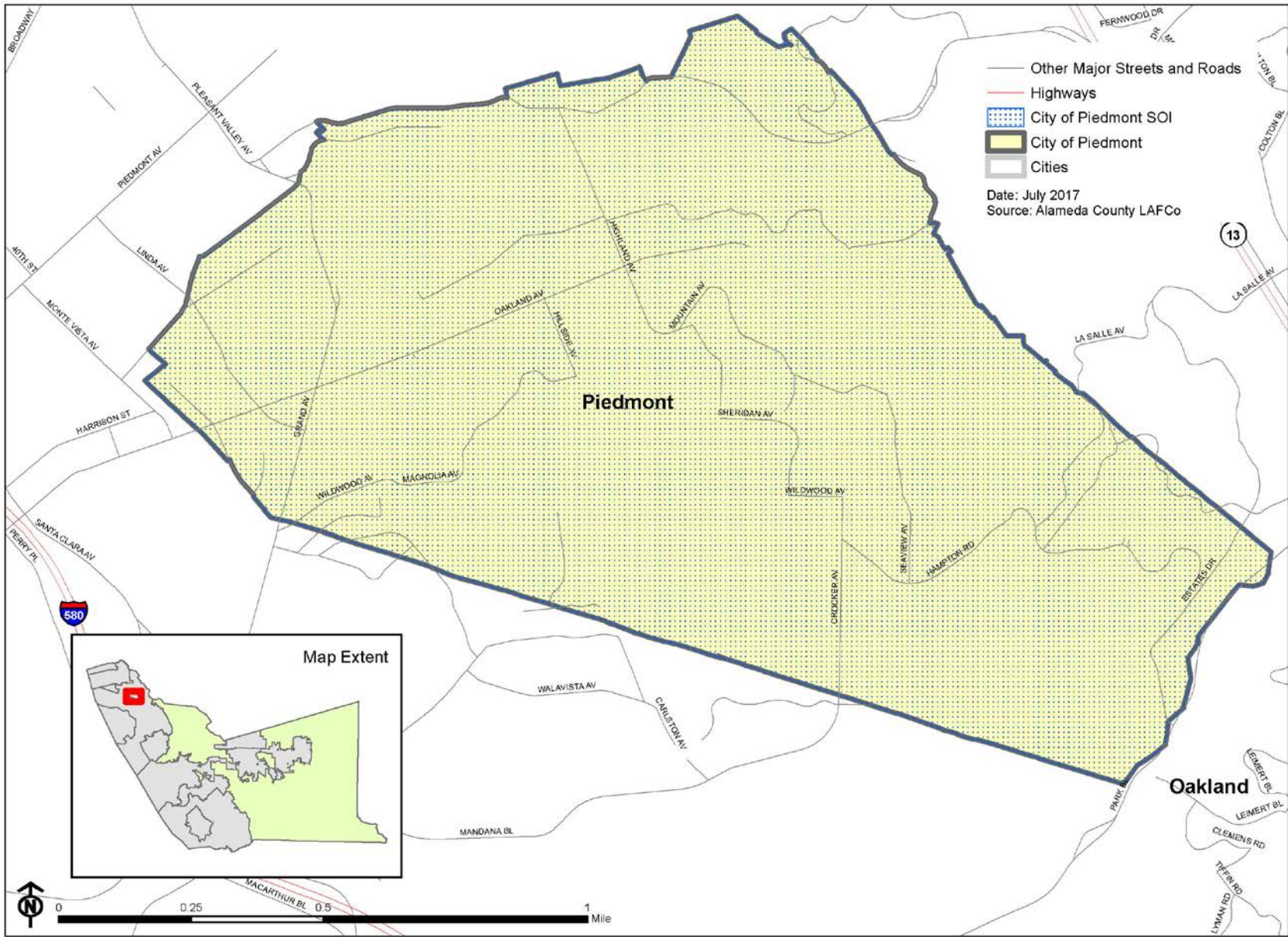
Total City staffing for fiscal year (FY) 2015 included 84 full-time equivalent (FTE) employees.<sup>1</sup> **Table 12.1** shows the four service areas with the highest staffing levels.

TABLE 12.1  
CITY OF PIEDMONT  
HIGHEST STAFFING LEVELS BY SERVICE AREA

Service Area	FY 2015 FTE
Police	28.0
Fire	25.4
Public Works/Engineering/Maintenance	17.0
Recreation	14.6

Source: City of Piedmont Comprehensive Annual Financial Report 2015.

<sup>1</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 12.1. City of Piedmont Municipal Boundary and Sphere of Influence**

Similar to other cities in Alameda County, the police function had the highest staffing level in the City of Piedmont, with 28.0 FTE employees.

### 12.1.2 Form of Government

The City of Piedmont is a charter city that operates under a council-manager form of government. The City Council consists of five members, including the elected Mayor; members serve four-year terms.

### 12.1.3 Joint Powers Authorities

The City of Piedmont is a member of several Joint Powers Authorities (JPAs), as listed in Table 12.2.

**TABLE 12.2**  
**CITY OF PIEDMONT**  
**JOINT POWERS AUTHORITY MEMBERSHIP**

Joint Powers Authority	Service
Bay Cities Joint Powers Insurance Authority	The Bay Cities Joint Powers Insurance Authority provides cost-effective, fiscally sound liability, workers' compensation, property, and other lines of coverage for Member Entities.
Alameda County Transportation Commission	The mission of the Alameda County Transportation Commission is to plan, fund and deliver transportation programs and projects that expand access and improve mobility to foster a vibrant and livable Alameda County.
East Bay Community Energy Authority	East Bay Community Energy is a joint powers authority that aggregates electricity demand within participating Alameda County jurisdictions in order to procure more sustainable electricity for its customers.
Alameda County Waste Management Authority	A public agency responsible for reducing the waste stream in Alameda County. We help local governments, businesses, schools and residents reduce waste through: Source reduction and recycling; Market development; Technical assistance; and Public education.

Source: City of Piedmont

### 12.1.4 Awards and Recognition

The City of Piedmont has reported receiving the following awards since the 2008 Municipal Service Review (MSR):

- 2015 Award of Excellence in the category of Implementation-Small Jurisdiction from the American Planning Association, California Chapter, Northern Section for the City of Piedmont Rent-Restricted Second Unit Program
- 2015 Award of Merit – Implementation, Small Jurisdiction from the American Planning Association, California Chapter for the City of Piedmont Rent-Restricted Second Unit Program

## 12.2 Service Review Determinations

The purpose of this MSR is described in Chapter 1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR Update, the following analysis informs the determinations which have been prepared for the City of Piedmont.

### 12.2.1 Growth and Population Projections

According to the 2016 California Department of Finance estimates, the City of Piedmont serves 11,219 residents within its municipal boundary.

#### *12.2.1.1 Projected Growth and Demographic Changes*

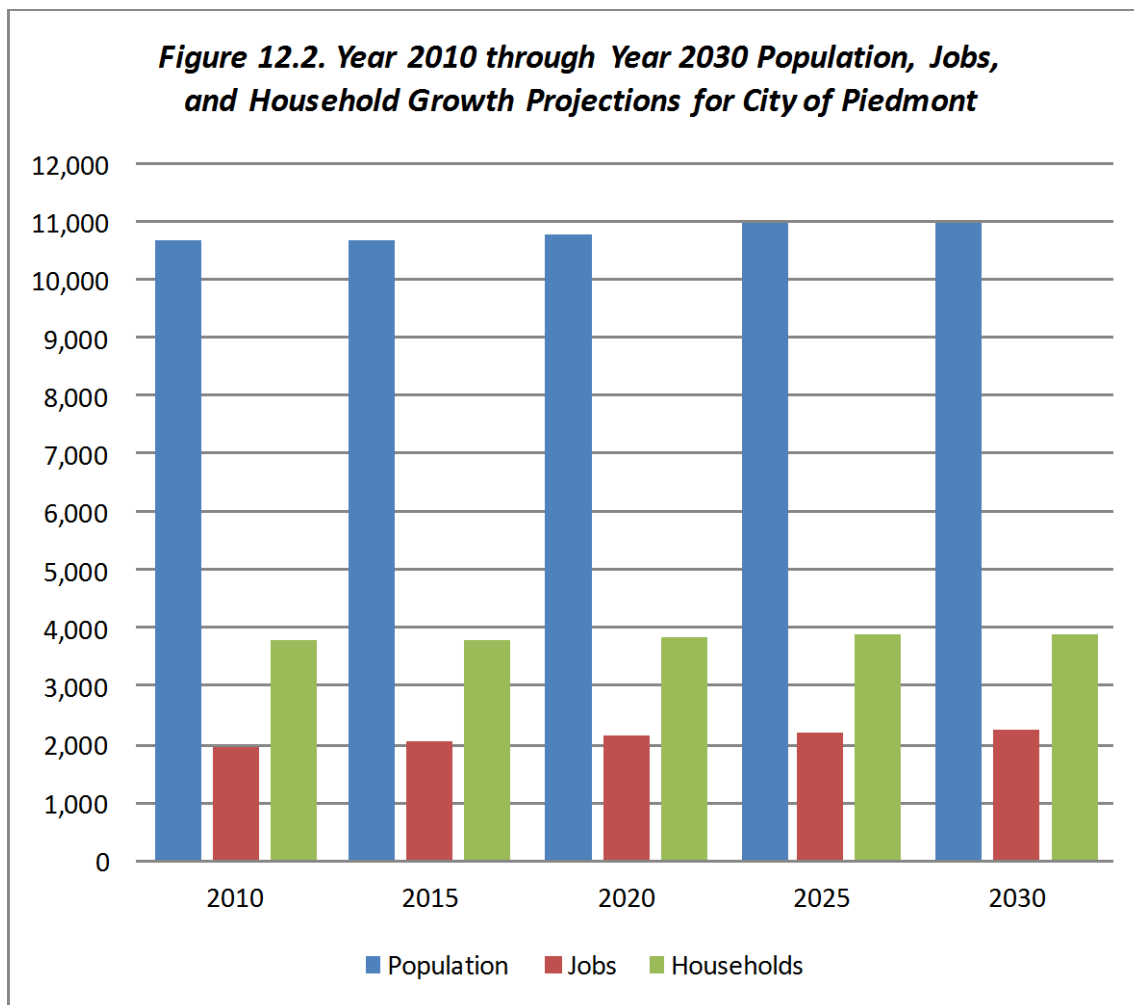
As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>2</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes 30-year growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for the City of Piedmont are depicted in **Figure 12.2**.

ABAG projects that the City's population will grow at an annual rate of 0.2% to a population of 11,000 in 2030. The City of Piedmont is also projected to experience a 0.8% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.

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<sup>2</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.





***Jobs and Housing***

According to ABAG Bay Area Census data<sup>3</sup> for 2010, the City of Piedmont has 5,206 employed residents. The ABAG and MTC jobs forecast estimates 1,930 jobs in the City, with approximately 0.37 job for every employed resident. ABAG estimates that the City of Piedmont has 3,924 housing units, which results in a job/housing balance of 0.49. The number of owner-occupied units in the City is greater than the number of renter-occupied housing units (**Table 12.3**), indicating that the rate of homeownership exceeds the rental household rate.

<sup>3</sup> ABAG Bay Area Census data are derived from US Census data specific to the Bay Area.

**TABLE 12.3**  
**CITY OF PIEDMONT**  
**HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	3,358
Renter-occupied housing units	443
Other <sup>1</sup>	123
Total existing housing units	3,924
<b>Regional Housing Need Allocation by Income Category 2014-2022</b>	
Above moderate	7
Moderate	15
Low	14
Very low	24
<i>Total Regional Housing Need Allocation</i>	<i>60</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their housing element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>4</sup> The City of Piedmont was assigned an RHNA of 60 units, as shown in Table 12.3.

The City adopted its General Plan in 2009 and its Housing Element in December 2014. No PDAs have been identified for infill development. Because the City is more than 90% built out, most of the housing growth will consist of second units.<sup>5</sup> The City's 2015–2023 Housing Element identifies sites, anticipated to yield 30 units, which are appropriately zoned to help address the affordable housing demand in addition to the 6 planned and approved units, 134 unintended<sup>6</sup> second units and 48 suspected second units and to help address the assigned RHNA of 60 housing units. Continuing to meet affordable housing demand will present an ongoing challenge for the City. The City's Housing Element has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

<sup>4</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>5</sup> A second unit is a dwelling unit that is attached or detached from a larger dwelling unit on the same lot and that can be used for habitation (e.g., in-law apartments).

<sup>6</sup> A second unit that is not used in a manner that is private and separate from the main residence on the property. Unintended units include rent-free au pair and domestic employee quarters, as well as guest cottages or portions of private residences with separate entrances, kitchens, and bathrooms.

### *Planning for an Aging Population*

The number of adults age 50 and older in Alameda County is projected to grow from 449,754 in 2010 to 701,000 in 2030, an increase of 55.9% and representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>7</sup>

The City of Piedmont Recreation Department offers a program for seniors. The City recognizes the need to offer more adult and senior programming; however, there are no formal plans at this time.

#### **12.2.1.2 Anticipated Growth Patterns**

The City of Piedmont reported approximately 776.5 developed residential acres and approximately 21.25 undeveloped residential acres in FY 2015.

The City is nearly built out, and new development projects are limited. Since the 2008 MSR update, fewer than five new single-family homes have been approved, along with a seven-unit townhouse complex. The City has not identified any planned dwelling units or planned commercial projects as part of the 2016–2021 projected growth. The only dwelling units that might be added are accessory dwelling units to existing single-family residences.

PDA, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. The City of Piedmont is more than 90% built out and no PDAs have been identified in Plan Bay Area.

Priority Conservation Areas, which are areas of regionally significant open space facing development pressure, also help form the implementing framework for Plan Bay Area. The City of Piedmont is urbanized and it has not identified any Priority Conservation Areas in its General Plan.

The City of Piedmont does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI.

#### **12.2.2 Boundaries, Islands, and Disadvantaged Unincorporated Communities**

The City of Piedmont's SOI is coterminous with its municipal boundary (see Figure 12.1). The City of Piedmont, which is surrounded entirely by the City of Oakland, has no plans to amend its SOI. With minor exceptions, Piedmont is not currently providing services to the area outside of its SOI or municipal boundary. Garbage service is provided to a small number of homes outside the SOI and municipal boundary due to the geographic restrictions of the area and the size of the streets. There are no unincorporated islands in the City of Piedmont.

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<sup>7</sup> Year 2010–2030 ABAG projections.

### 12.2.2.1 Disadvantaged Unincorporated Communities

There are no identified DUCs within or contiguous to the SOI for the City of Piedmont and therefore, no DUCs are relevant to this analysis.

### 12.2.3 City Services Overview

As noted in Section 12.1 and as shown in **Table 12.4**, municipal services for the City of Piedmont are provided by City staff, via JPA, and under contract with other service providers. Municipal services considered in this update are discussed individually below. Stormwater, water and wastewater services will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

**TABLE 12.4**  
**CITY OF PIEDMONT**  
**MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	City of Piedmont	City of Berkeley
Fire and Emergency Response	City of Piedmont	—
Law Enforcement	City of Piedmont	—
Library	—	City of Oakland (contract)
Lighting	City of Piedmont	Alameda County
Parks and Recreation	City of Piedmont	—
Planning/Building	City of Piedmont	—
Solid Waste	—	Richmond Sanitary Service
Stormwater	City of Piedmont	—
Streets	City of Piedmont	—
Utilities and Broadband:		
Electricity	—	Pacific Gas & Electric
Gas	—	Pacific Gas & Electric
Broadband	—	Comcast, AT&T, Sonic.net
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Mosquito Abatement District
Water	—	East Bay Municipal Utility District
Wastewater	—	East Bay Municipal Utility District

Source: City of Piedmont

In the years since the 2008 MSR, the City has not added, reduced, or discontinued any municipal services. From 2011 to 2013, the City of Piedmont shared a Fire Chief with the City of Albany; however, this sharing arrangement did not prove beneficial to the City and the City Council terminated the agreement.

The City of Piedmont has not reported any opportunities or challenges in the provision of municipal services.

A summary of the City's municipal service level statistics for FY 2015 is provided in Table A.11 of **Attachment A**.

### *12.2.3.1 Animal Control, Vector Control*

The City of Piedmont and City of Berkeley are the animal control service providers for the City. FY 2015 expenditures were \$233,982.

For 2015, 43.1 dog licenses were issued per 1,000 population, for a total of 484 licenses issued. The number of animals handled by City of Piedmont and City of Berkeley in 2015 was 97, significantly lower than the 224 in 2008. The number of calls for service in 2015 is included in Fire/Emergency Calls for Service, as is the number for 2008.

Throughout Alameda County, and including the City of Piedmont, vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, including the City of Piedmont.

### *12.2.3.2 Fire and Emergency Response*

The City of Piedmont provides fire protection services, including fire prevention, public education, hazardous materials response, fire inspections, advanced life support first responders, and paramedic ambulance transport. City expenditures for public safety, which includes fire protection and law enforcement, were approximately \$10.5 million in FY 2015.

There were 14,415 reported calls for fire and emergency response service in 2015, up from 10,023 in 2008. Average fire and emergency response times were 4 minutes in 2015 and 2008. The National Fire Protection Association standard requires fire and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>8</sup>

The City reports that the fire station and equipment serving Piedmont are in good condition.

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<sup>8</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

### ***12.2.3.3 Law Enforcement***

The City of Piedmont provides law enforcement and dispatch services, including police patrol and animal control. City expenditures for public safety, which includes law enforcement and fire protection, were approximately \$10.5 million in FY 2015.

The City of Piedmont has 1.7 FTE sworn personnel per 1,000 population, which represents a slight decrease from 1.8 FTE in 2008. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>9</sup> There was a drop in crimes per sworn FTE from 12.2 in 2008 to 11.7 in 2015. The property crime clearance rate (a measure of crimes solved) was 38% in 2015, as was the violent crime clearance rate.<sup>10</sup>

The City reports that the police station needs updating and reconfiguration. Police equipment is on a replacement schedule to ensure it remains current and in good condition.

### ***12.2.3.4 Library***

The City of Piedmont does not provide library services within the City. Library services are provided by the City of Oakland at nearby library locations.

Average circulation per capita was 7.39 items in 2015.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>11</sup> Select statistical data for the most recent year (FY 2014/2015) is provided in this MSR Update for informational purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY2014/2015.

### ***12.2.3.5 Lighting and Streets***

Lighting (street and traffic) is provided by the City of Piedmont and maintained by Alameda County Public Works Agency. FY 2015 expenditures were \$68,155.

The City of Piedmont provides and maintains 40 street miles and approximately 1 Class 1 and 2 bike lane mile. FY 2015 expenditures for streets were \$710,000.

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<sup>9</sup> National Sources of Law Enforcement Employment Data. April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

<sup>10</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

<sup>11</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lrs/librarystats.html>

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in the City of Piedmont was 69 (fair) in 2009.<sup>12</sup> Pavement at the low end of the 60-69 (fair) range is significantly distressed and may require a combination of rehabilitation and preventive maintenance. Piedmont's PCI decreased to 65 in 2015, which remains below the target PCI of 75 (good) MTC has established.<sup>13</sup>

### ***12.2.3.6 Parks and Recreation***

The City is the primary service provider for parks and recreation, including the provision of recreation classes and programs, programs for youth and seniors, and facility leasing. City expenditures for parks and recreation were approximately \$3.3 million in FY 2015.

The City provides and maintains 5 park acres per 1,000 residents and 1 recreation center. The City reports that its park facilities are generally in good condition; however, many suffer from deferred maintenance issues which are being addressed incrementally through the Facilities Maintenance Plan. The City will also be developing master plans for the aquatics center, the recreation center and veterans' hall, as well as the Linda Beach Playfield and Coaches Field and Skate Park.

The City works collaboratively with the East Bay Regional Park District to fund park improvements through the Measure WW funding program. Funding through this program has been used to renovate Hampton Sports Field.

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. Improvements to City of Piedmont parks are constrained by the fact that the City is landlocked and has a limited amount of space available for new facilities. The City of Piedmont did not identify a level of service standard in the Parks, Recreation, and Open Space Element of its General Plan.

### ***12.2.3.7 Planning and Building***

The City's Public Works Department handles all building and planning services, as well as street maintenance, park maintenance, and sewer maintenance services. The City's planning services include processing permit applications, lot line adjustments, parcel merges and subdivisions,

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<sup>12</sup> 2008 data were not available

<sup>13</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

and developing and implementing planning documents. The Building Department regulates the building permit process, assures that construction accords with building codes and city ordinances and that specified Conditions of Approval are implemented. The departmental budget for FY 2015 was \$4,106,289.

The City issued 1,532 building permits in 2015; total valuation for these permits was not reported. The adopted planning documents reported by the City are listed in **Attachment B**.

### *12.2.3.8 Solid Waste*

Solid waste services are provided to the City of Piedmont by Richmond Sanitary Service. Garbage service is provided to a small number of homes outside the SOI and municipal boundary due to the geographic restrictions of the area and the size of the streets. Richmond Sanitary Service transports solid waste collected from the City of Piedmont to the West Contra Costa Sanitary Landfill in Richmond. FY 2015 expenditures were approximately \$27,700.

The City reported 0.82 ton of waste disposed per capita for FY 2015, and a total diversion rate of 74%. The FY 2015 per resident disposal rate was 4.52 pounds/resident/day.

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

### *12.2.3.9 Utilities and Broadband*

PG&E provides gas and electricity services to the City of Piedmont. The City coordinates with Pacific Gas & Electric regarding the location and condition of gas pipelines. Piedmont is a member of the recently formed East Bay Community Energy Authority.

The City does not provide public broadband service. XFINITY from Comcast, AT&T U-verse, and Sonic.net each offer internet access to the city. These providers use a variety of wired technologies including cable and DSL. The City of Piedmont did not indicate concerns about the availability or reliability of high-speed internet services. The California Public Utilities Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report card for 2013. The City of Piedmont received a grade of D+, which indicates that at least one internet service provider is advertising speeds that meet the CPUC's minimum 6 Mbps download



and 1.5 Mbps upload standard.<sup>14</sup> Piedmont is the only city in Alameda County with a grade of D or lower.

The City did not indicate concerns about the ability of utility service or broadband providers to serve its existing or growing population.

## **12.2.4 City Services Determinations**

### ***12.2.4.1 Present and Planned Capacity of Facilities, Adequacy of Public Service***

As noted above, there are no DUCs within or contiguous to the City's SOI.

Average fire and emergency response time was 4 minutes in 2015, which exceeds the NFPA standard.

The City of Piedmont reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future. The many lots that straddle the Piedmont/Oakland border can occasionally make the determination of which city should provide service a challenge, but the City of Piedmont will continue to work with the City of Oakland on this matter.

#### ***Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs***

As an indication of the need for infrastructure investment, the pavement condition index for streets in the City of Piedmont was 63 (fair) for FY 201, which is well below the target of 75 MTC has established.

When accounting for the projected growth and population increases over the next five years, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

#### ***Consistency with Capital Improvement Plans***

The City Council examines Capital Improvement Projects over a five-year timeframe and formally adopts a Capital Improvement Plan. The City of Piedmont is developing a plan to address deferred maintenance issues, routine and on-going maintenance and repair, and has identified a need to invest in information technology infrastructure.

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<sup>14</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www.bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).

### *Consistency with Local and Regional Land Use Plans and Policies*

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

#### *12.2.4.2 Status and Opportunities for Shared Facilities*

##### *Current Shared Services*

The City provides an array of municipal services, with the exception of library, solid waste, utilities, vector control, water, and wastewater services. These services are provided via contract with other municipal providers or private vendors. Garbage service is provided to a small number of homes outside the SOI and municipal boundary due to the geographic restrictions of the area and the size of the streets. The City shares library services with the City of Oakland, which provides library services for Piedmont residents. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

##### *Duplication of Existing or Planned Facilities*

This review did not identify any duplication of existing or planned facilities.

##### *Availability of Excess Capacity*

No excess service or facility capacity was identified as part of this review.

## **12.2.5 Financial Information**

This section provides an overview of the City's financial health and provides a context for assessing the City's financial ability to provide services.

Key FY 2015 financial information for City of Piedmont municipal operations is provided in the discussion below. The information in this section has been obtained from the audited 2015 Comprehensive Annual Financial Report (CAFR) and from City staff. For comparative purposes, FY 2008 CAFR and staff-provided financial information is also included where available.

### *12.2.5.1 Revenues and Expenditures*

A comparison of the revenues and expenditures for the City's governmental and proprietary funds is shown in **Table 12.5**.

**TABLE 12.5**  
**CITY OF PIEDMONT**  
**COMPARISON OF REVENUE AND EXPENDITURES**  
**FY 2008 AND FY 2015**

	FY 2008	FY 2015
Total Revenue	\$215,595,250	\$29,341,558
Total Expenditures	\$22,023,402	\$25,443,457
<b>Net Surplus/(Deficit)</b>	<b>(\$428,152)</b>	<b>\$3,898,101</b>

In FY 2015, total expenditures for the City of Piedmont were approximately \$25.4 million, which represents an increase of approximately \$3.4 million from FY 2008.

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and expenditures for the General Fund are shown in **Table 12.6**. General Fund expenditures constituted approximately 86% (\$21.9 million) of the total expenditures.

**TABLE 12.6**  
**CITY OF PIEDMONT**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Property Tax	\$8,702,213	\$10,846,057
Real Property Transfer Tax	\$1,973,888	\$3,901,252
Current Service Charges	\$2,265,717	\$2,869,845
Parcel Tax	—	\$1,647,223
Intergovernmental	—	\$1,589,360
Utility Users Tax	\$1,372,879	\$1,141,790
Use of Money and Property	\$624,148	\$548,042
Licenses and Permits	\$446,803	\$516,580
Business License and Rental Tax	\$360,337	\$511,611
Franchise Tax	\$405,571	\$445,590
Sales Tax	\$188,872	\$260,223
Other Revenues	\$54,943	\$136,949
Other Agencies	\$1,184,234	—
Other Agencies	\$1,184,234	—
<b>Total Revenue</b>	<b>\$17,579,605</b>	<b>\$24,414,522</b>

Type	FY 2008	FY 2015
Expenditures by Program		
Police	\$4,303,966	\$5,530,749
Fire	\$4,116,373	\$4,988,751
Public Works	\$3,908,118	\$3,928,797
Non-departmental	\$364,516	\$2,911,673
Recreation	\$2,443,355	\$2,345,285
Administration	\$2,197,483	\$2,247,789
Capital outlay and Debt Service	\$115,884	—
<b>Total Expenditures</b>	<b>\$17,454,695</b>	<b>\$21,953,044</b>
<b>Net Surplus/(Deficit)</b>	<b>\$124,910</b>	<b>\$2,461,478</b>

Total General Fund expenditures have increased by approximately \$4.5 million (26%) since FY 2008. The major expenditure of the City's General Fund is police, which accounts for 25% (\$5,530,749) of the fund's annual expenditure stream.

Over 60% of the City's general revenue sources are property related. Other major revenues to the City's General Fund are taxes (e.g., sales, business licenses, utility users, and transient occupancy). The primary source of revenue is property tax, which in FY 2015 was above FY 2008 levels. **Table 12.7** provides a comparison of General Fund tax revenues.

**TABLE 12.7**  
**CITY OF PIEDMONT**  
**COMPARISON OF TAX REVENUES**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Property Tax	\$8,702,213	\$10,846,057
Sales Tax	\$188,872	\$260,223
Franchise Tax	—	\$445,590
Utility Users Tax	\$1,372,879	\$1,141,790
Real Property Transfer Tax	\$1,973,888	\$3,901,252
Business License and Rental Tax	—	\$511,611
Parcel Tax	—	\$1,647,723
Paramedic Tax	—	\$69,418

The City's property tax revenue has increased by approximately \$2.1 million (25%) since FY 2008 and real property transfer tax has increased by \$1.9 million (98%) since 2008.

### 12.2.5.2 Debt

**Table 12.8** summarizes the City's obligations, debt, and liabilities.

**TABLE 12.8**  
**CITY OF PIEDMONT**  
**COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES**  
**FY 2008 AND FY 2015**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$0	\$6,177,000
Ratio of Direct Debt <sup>1</sup> to Net Assessed Valuation	0	0.17%
Ratio of Combined Debt <sup>2</sup> to Net Assessed Valuation	0	0.7%
Unfunded Pension Liability	—	\$4,135,522

<sup>1</sup> General bonded debt

<sup>2</sup> Direct and overlapping debt

Standard and Poor's suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilized capital investment capacity. The City of Piedmont has increased its general bonded debt since 2008 to approximately \$557 per capita. The ratio of direct debt and combined debt to net assessed valuation has increased slightly since 2008.

Similar to many cities, the City of Piedmont has seen an increase in its reported unfunded pension liability since 2008, partially due to Governmental Accounting Standards Board (GASB) 68.<sup>15</sup> The City's unfunded pension liability<sup>16</sup> is approximately 17% of the general fund revenue for FY 2015 (i.e., nearly one-fifth of annual general fund revenue would be needed to fully fund the existing pension liability, if addressed all in one year). The City addresses its pension obligations through cost sharing and financing measures.

### 12.2.5.3 Reserves

The City's CAFR does not explicitly state a reserve goal policy, although the City does maintain an unassigned general fund balance. For FY 2015, the unassigned General Fund balance of \$4.6 million represents approximately 21% of the FY 2015 budgeted expenditures.

Piedmont's unassigned General Fund reserve level was \$4.6 million for FY 2015, up from \$2.72 million in FY 2008. The City does not maintain an economic uncertainty reserve fund separate from the General Fund reserve.

<sup>15</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports.

<sup>16</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city's General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.

### 12.2.5.4 Fiscal Health Indicators

Overall, the City of Piedmont appears to be in positive fiscal health, as shown by the General Fund fiscal indicators in **Table 12.9**.

**TABLE 12.9**  
**CITY OF PIEDMONT**  
**GENERAL FUND FISCAL INDICATORS**  
**FY 2008 AND FY 2015**

Indicator	FY 2008 Value	FY 2015 Value
Net Operating Deficit/Surplus	\$124,911	\$127,821
Liquidity Ratio <sup>1</sup>	2.66	3.45
Fund Balance as Percent of Expenditures <sup>2</sup>	15.91%	21.02%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures

The City's stable finances are due to several factors – continued growth in property related revenues, city employee's assumption of a larger share of retirement and medical benefit costs, creation of benefit pools for new hires, refinancing side funds and on-going operating fiscal management by all city departments,

Since FY 2008, the City has reported a surplus in their annual operating General Fund. The five-year average surplus decreased from \$1,920,140 in FY 2008 to \$365,721 in FY 2015. This decrease is due to the Council action to transfer General Fund net savings in excess of \$100,000 to address one-time long-term needs. Otherwise, the General Fund revenues have continued to trend upwards in 2008 to 2015.

The unassigned General Fund Balance was \$4.6 million or 21.02% of total General Fund budgeted expenditures. The City has committed its General Fund unassigned reserve (\$4.6 million) for economic fluctuations and emergencies.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Standard and Poor's has assigned Piedmont a bond rating of AA+ (high quality).

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). As of June 30, 2015, the City's government-wide net position amounted to a positive balance of \$24,616,583. This represents an increase of \$3,898,101 from the June 30, 2014 balance of \$20,718,482 after recording a prior period adjustment of \$(15,667,559) related to implementing pension accounting change required by GASB No. 68 and No. 71.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City of Piedmont uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

### ***12.2.5.5 Financial Reporting***

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end. The City of Piedmont CAFR for FY 2015 was published in March 2016, which is not within 6 months of the fiscal year end. The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

## **12.2.6 Financial Determinations**

### ***12.2.6.1 Financial Ability of Agency to Provide Services***

The City anticipates the need to allocate resources for basic City Services including public safety, as well as planning for major capital improvements. The City has used a variety of revenue sources including grant funding and locally generated fees and taxes to address capital needs. Efforts are made to also prioritize the capital projects based upon links to the strategic plan and goals established by the City Council.

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Overall, the City of Piedmont appears to have sufficient financial resources to continue providing services, as well as to accommodate infrastructure expansion, improvements, or replacement, as indicated below.

#### ***Operating General Fund deficit and surplus trends for the past five years***

The City of Piedmont reports a five-year trend of surpluses in their annual operating general fund. The five-year average surplus decreased from \$1,920,140 in FY 2008 to \$365,721 in FY 2015.

#### ***Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing***

For FY 2015, the City transferred \$2 million from the General Fund reserves to fund capital projects.

***Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year***

As of June 30, 2015 the unassigned general fund balance represented approximately 21% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

***Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year***

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 3.5, which indicates the City has the means available to cover its existing obligations in the short-term.

***Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end***

The City prepared and published its CAFR approximately 9 months after fiscal year-end, which is not considered timely by the GASB (publishing within 6 months of fiscal year-end). The CAFR was audited by an independent certified public accountant and received a clean opinion.

**12.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

***12.2.7.1 Online Availability of City Governance Information***

The City of Piedmont website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's annual budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

***12.2.7.2 Online Availability of City Planning Information***

The City of Piedmont website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

***12.2.7.3 Public Involvement***

The City of Piedmont website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.



## 12.2.8 Service Review Determinations Summary

**Table 12.10** summarizes the service review determinations discussed throughout Section 12.2.

**TABLE 12.10**  
**CITY OF PIEDMONT**  
**SUMMARY OF SERVICE REVIEW DETERMINATIONS**

Determination Area and Criteria	Determination
<i><b>Growth and population projections for the affected area</b></i>	
Projected growth and demographic changes in and around the agency's service areas based on ABAG population projections	ABAG projects that the City's population will grow at an annual rate of 0.2% to a population of 11,000 in 2030. The City of Piedmont is also projected to experience a 0.8% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	The City of Piedmont does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI within the next five years.
<i><b>Location and characteristics of Disadvantaged Unincorporated Communities within or contiguous to the SOI</b></i>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	There are no identified DUCs within or contiguous to the SOI for the City of Piedmont.
<i><b>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</b></i>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	As an indication of the need for infrastructure investment, the pavement condition index for streets in the City of Piedmont was 63 (fair) for FY 201, which is well below the target of 75 MTC has established. When accounting for the projected growth and population increases over the next five years, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.
Consistency with capital improvement plans	The City Council examines Capital Improvement Projects over a five-year timeframe and formally adopts a Capital Improvement Plan. The City of Piedmont is developing a plan to address deferred maintenance issues, routine and on-going maintenance and repair, and has identified a need to invest in information technology infrastructure.
Consistency with local and regional land use plans and policies	The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

Determination Area and Criteria	Determination
<b><i>Financial ability of the agency to provide services</i></b>	
Operating General Fund deficit and surplus trends for the past five years	The City of Piedmont reports a five-year trend of surpluses in their annual operating general fund. The five-year average surplus decreased from \$1,920,140 in FY 2008 to \$365,721 in FY 2015.
Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing	For FY 2015, the City transferred \$2 million from the General Fund reserves to fund capital projects.
Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year	As of June 30, 2015 the unassigned general fund balance represented approximately 21% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.
Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year	The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 3.5, which indicates the City has the means available to cover its existing obligations in the short-term.
Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end	The City issued its CAFR approximately 9 months after fiscal year-end, which is not considered timely by the GASB (publishing within 6 months of fiscal year-end). The CAFR was audited by an independent certified public accountant and received a clean opinion.
<b><i>Status of and opportunities for shared facilities</i></b>	
Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas	The City provides an array of municipal services, with the exception of library, solid waste, utilities, vector control, water, and wastewater services. These services are provided via contract with other municipal providers or private vendors. Garbage service is provided to a small number of homes outside the SOI and municipal boundary due to the geographic restrictions of the area and the size of the streets. The City shares library services with the City of Oakland, which provides library services for Piedmont residents. The City does not share other facilities or services.
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency's website	The City of Piedmont website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's annual budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency's website	The City of Piedmont website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

<b>Determination Area and Criteria</b>	<b>Determination</b>
Time and place for public to provide input prior to decision being made	The City of Piedmont website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 12.3 Sphere of Influence Review and Determinations

### 12.3.1 Sphere of Influence Recommendation

The SOI for the City of Piedmont is coterminous with the municipal boundary, as shown in Figure 12.1. The City is encircled by the city of Oakland and no further outward growth is possible.

This report recommends that Alameda LAFCo maintain and reaffirm the existing SOI boundary for the City of Piedmont.

### 12.3.2 Sphere of Influence Determinations for the City of Piedmont

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 12.11**. These determinations are made as part of the review of the existing SOI and are based on the information in this City of Piedmont MSR profile.

**TABLE 12.11**  
**CITY OF PIEDMONT**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	The City of Piedmont plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including estate residential, low-density residential, medium-density residential, mixed use, public facilities, and parks, recreation, and open space. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (2009).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for the City of Piedmont. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
<i>The present and probably future capacity of public facilities and services</i>	The present capacity of public facilities in the City of Piedmont appears adequate. The City of Piedmont anticipates it will continue to have adequate capacity during the next five years.
<i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i>	All communities of interest within the City's municipal boundary are included within the SOI. Alameda LAFCo has not identified specific social or economic communities of interest relevant to the City of Piedmont.

Criteria	Determination
<p><i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i></p>	<p>The City of Piedmont provides structural fire protection and sewer facilities and services within its SOI; water is provided by East Bay Municipal Utility District. There are no DUCs within or contiguous to the SOI for the City of Piedmont and therefore no present or probable need for these facilities and services for DUCs.</p>



# Chapter 13

## City of Pleasanton

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### 13.1 Agency Overview



The City of Pleasanton, incorporated in 1894, covers an area of 24 square miles. The 2010 U.S. Census Bureau data shows the population as 70,285. The California Department of Finance estimates the January 1, 2016 population as 74,982.<sup>1</sup> The City has a population density of approximately 3,289 persons per square mile.

The City of Pleasanton is surrounded by the cities of Dublin, Hayward, and Livermore, as well as unincorporated Alameda County. Land uses in the City include a mix of residential; mixed use; industrial, commercial, and office; community facilities, and open space. The Sphere of Influence (SOI) for the City of Pleasanton extends beyond the municipal boundary to the east, west, and south, as shown in **Figure 13.1**.

The municipal services considered in this review that are provided by the City of Pleasanton include: animal control, fire protection and emergency response, law enforcement, library, lighting, parks and recreation, planning and building, and streets. Other services, such as solid waste, are provided under contract with other service providers.

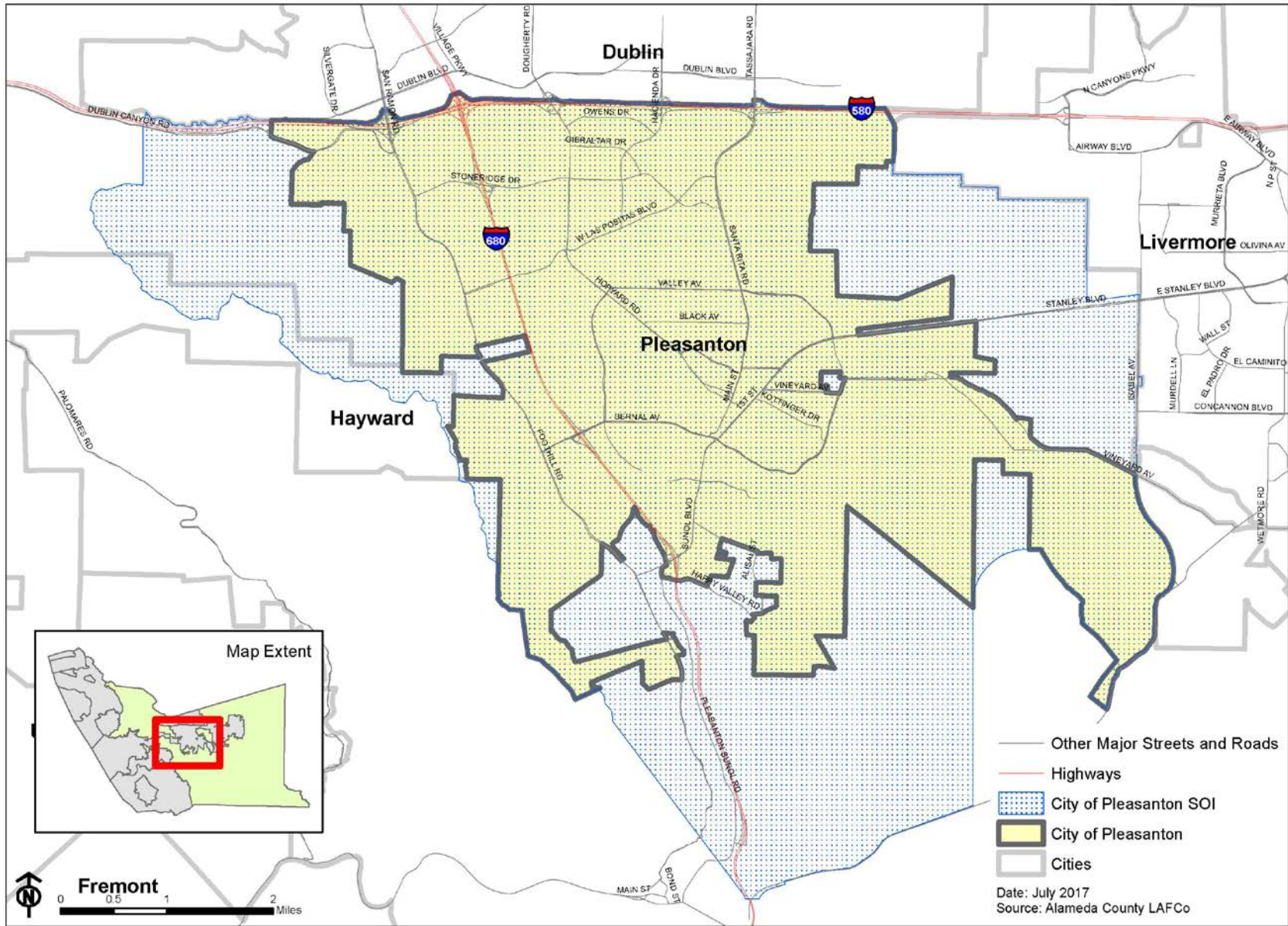
#### 13.1.1 City Staffing

Total City staffing for fiscal year (FY) 2015 included 422 full-time equivalent (FTE) employees.<sup>2</sup> **Table 13.1** shows the four service areas with the highest staffing levels.

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<sup>1</sup> This MSR Update uses California Department of Finance 2016 population data for all cities (January 1, 2015 and January 1, 2016). Upon review of this chapter, the City of Pleasanton noted that its 2016 population (per the January 1, 2016 and January 1, 2017 data) is 75,040, which results in a population density of 3,127 persons per square mile.

<sup>2</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 13.1. City of Pleasanton Municipal Boundary and Sphere of Influence**



**TABLE 13.1  
CITY OF PLEASANTON  
HIGHEST STAFFING LEVELS BY SERVICE AREA**

Service Area	FY 2015 FTE
Public Safety	175.0
Operations Services	60.0
Community Development*	48.0
Community Activities	45.0

Source: City of Pleasanton Comprehensive Annual Financial Report 2015.

\* In 2009, Public Works Administration, Engineering and Inspection, and Building and Safety transferred to the Community Development Department. In 2015, the Engineering and Inspection Department was separated out from the Community Development Department into a stand-alone department. The Community Development Department currently has 28.5 FTEs, and the Engineering Department currently has 16.5 FTEs.

Similar to other cities in Alameda County, the public safety function had the highest staffing level in the City of Pleasanton, with 175.0 FTE employees.

### 13.1.2 Form of Government

The City of Pleasanton is a general law city, which operates under the council-manager form of government. The City Council consists of five members, including the Mayor; members serve four-year terms, and the elected Mayor serves a two-year term.

### 13.1.3 Joint Powers Authorities

The City of Pleasanton is a member of the Joint Powers Authorities (JPAs) listed in **Table 13.2**.

**TABLE 13.2  
CITY OF PLEASANTON  
JOINT POWERS AUTHORITY MEMBERSHIP**

Joint Powers Authority	Service
Bay Cities	Liability Insurance for various cities
The Livermore-Pleasanton Fire Department	Provides fire suppression and emergency medical services to the neighboring cities of Livermore and Pleasanton. The organization uses a JPA model with essential support services provided by both cities, and this partnership promotes more efficient administration and effective delivery of services.
Stop Waste	Governed jointly by three boards, the Alameda County Waste Management Authority, the Alameda County Source Reduction and Recycling Board and Energy Council.
Alameda County Transportation Commission	Governed by a 22-member commission comprised of elected officials from each of the 14 cities in Alameda County, five members of the Alameda County Board of Supervisors and elected representatives from AC Transit and BART.

Joint Powers Authority	Service
TV30 Tri-Valley Community Television	A California non-profit public benefit corporation under Internal Revenue code section 501(c)(3). The corporation is governed by a three member Board of Directors comprised of the Mayors of the cities of Dublin, Livermore, and Pleasanton.
Livermore Amador Valley Transit Authority	Established in 1985, under a JPA to provide public transit in the cities of Dublin, Livermore, Pleasanton, and in unincorporated areas of Alameda County. LAVTA is governed by a seven member Board of Directors.
The Livermore-Amador Valley Water Management Agency	Created in 1974 by the cities of Livermore and Pleasanton and the Dublin San Ramon Services District for the purpose of discharging their treated wastewater to San Francisco Bay. Operations began in September 1979 with expansions in 1983, 1987 and 2003 bringing it to its current maximum discharge capacity of 41.2 mgd. The wastewater is conveyed via a 16-mile pipeline from Pleasanton to San Leandro and enters the East Bay Dischargers Authority system for dechlorination and discharge through a deepwater outfall to the San Francisco Bay.
The Tri-Valley Transportation Council	Formed pursuant to a Joint Exercise of Powers Agreement establishing the TVTC, among the County of Alameda, the County of Contra Costa, the City of Livermore, the City of Pleasanton, the City of San Ramon, the City of Dublin, and the Town of Danville. The TVTC periodically evaluates the impacts of projected land uses on regional transportation infrastructure in the Tri-Valley area and oversees the expenditures of the Tri-Valley Transportation Development Fund.

Source: City of Pleasanton

### 13.1.4 Awards and Recognition

**Table 13.3** lists the awards the City of Pleasanton has reported receiving since the 2008 Municipal Service Review (MSR).

**TABLE 13.3**  
**CITY OF PLEASANTON**  
**AWARDS**

Award	Issuer	Year(s) Received
Bicycle Friendly Community – Bronze	American League of Bicyclists	2014
Best Value Award (Callippe Preserve Golf Course)	Greenskeeper.org	2011
Best Municipal Golf Course – #47 (Callippe Preserve Golf Course)	Golfweek Magazine	2009 – 2010
Best California Golf Course – #6 (Callippe Preserve Golf Course)	America’s Best Golf Courses	
Cooperative Sanctuary (Callippe Preserve Golf Course)	Audubon International	
Recycled Water Project	Chamber of Commerce	2015
LED Street Light Conversion Project	Chamber of Commerce	2016
Award of Excellence, Agency Showcase (Logo) – Firehouse Arts Center	California Park and Recreation Society	2011
Award of Excellence, Agency Showcase (Website) – Firehouse Arts Center	California Park and Recreation Society	2011
Award of Excellence, Facility Design (Cultural Facilities) – Firehouse Arts Center	California Park and Recreation Society	2011

<b>Award</b>	<b>Issuer</b>	<b>Year(s) Received</b>
Creating Community Award of Excellence (Youth Development) – Creatures of Improv (Teen Improv Troupe)	California Park and Recreation Society	2013
Government Leadership Award – Tri Valley Intergovernmental Reciprocal Services Agreement	CALAFCO	2015
Creating Community Award of Excellence (Youth Development) – Ridge Runners (Summer Day Camp)	California Park and Recreation Society	2015

Source: City of Pleasanton

## 13.2 Service Review Determinations

The purpose of this MSR is described in Chapter 1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR Update, the following analysis informs the determinations which have been prepared for the City of Pleasanton.

### 13.2.1 Growth and Population Projections

According to the 2016 California Department of Finance estimates, the City of Pleasanton serves 74,982 residents within its municipal boundaries.

#### *13.2.1.1 Projected Growth and Demographic Changes*

As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>3</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for the City of Pleasanton are depicted in **Figure 13.2**.

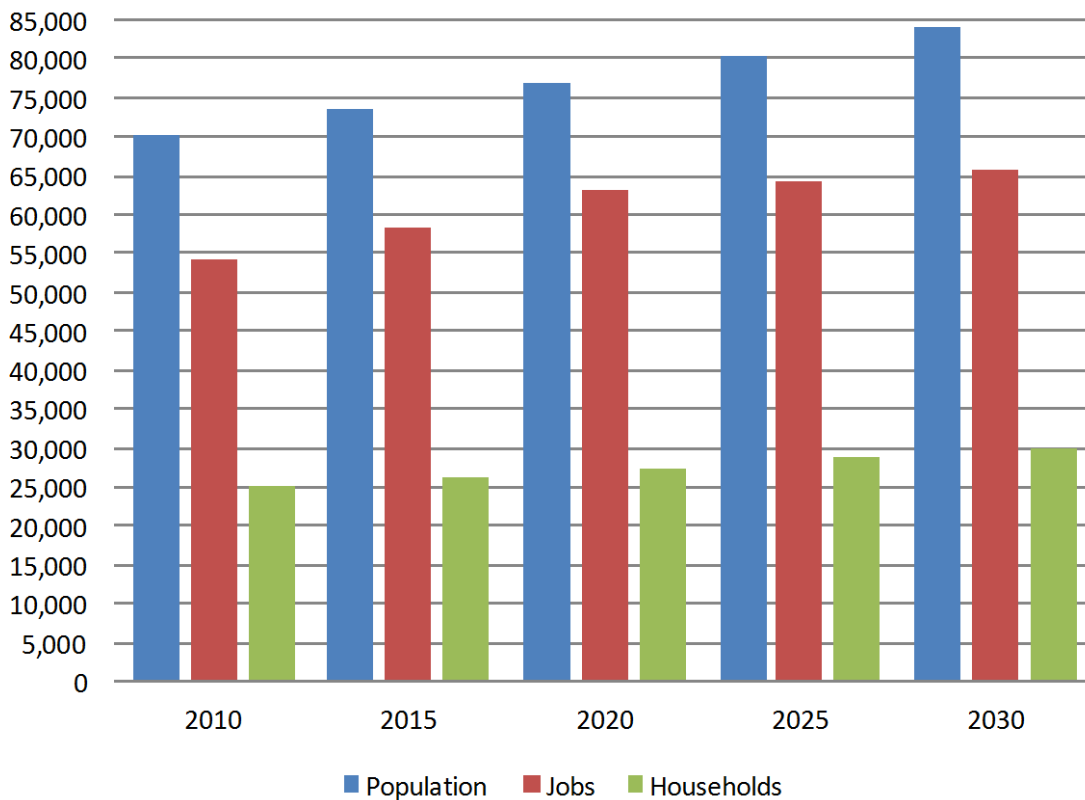
ABAG projects that the City's population will grow at an annual rate of 0.9% to a population of 83,900 in 2030.<sup>4</sup> The City of Pleasanton is projected to experience a 0.9% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.

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<sup>3</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.

<sup>4</sup> The City of Pleasanton noted that, with its updated projections data for Plan Bay Area, ABAG projects the City's population will grow to 85,200.

**Figure 13.2. Year 2010 through Year 2030 Population, Jobs, and Household Growth Projections for City of Pleasanton**



***Jobs and Housing***

According to ABAG Bay Area Census data<sup>5</sup> for 2010, the City of Pleasanton has 33,571 employed residents. The ABAG and MTC jobs forecast estimates 54,340 jobs in the City, with approximately 1.62 jobs for every employed resident. ABAG data show that the City of Pleasanton has 26,053 housing units, which results in a job/housing balance of 2.09. The number of owner-occupied units in the City is greater than the number of renter-occupied housing units (**Table 13.4**), indicating that the rate of homeownership exceeds the rental household rate.

<sup>5</sup> ABAG Bay Area Census data are derived from US Census data specific to the Bay Area.

**TABLE 13.4**  
**CITY OF PLEASANTON**  
**HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	17,981
Renter-occupied housing units	7,354
Other <sup>1</sup>	718
Total existing housing units	26,053
<b>Regional Housing Need Allocation by Income Category 2014-2022</b>	
Above moderate	553
Moderate	407
Low	391
Very low	716
<i>Total Regional Housing Need Allocation</i>	<i>2,067</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their housing element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>6</sup> The City of Pleasanton was assigned an RHNA of 2,067 units, as shown in Table 13.4.

The City adopted its General Plan in 2009 and its Housing Element in January 2015. The City has identified one potential PDA for infill development, including housing. The City's 2015–2023 Housing Element identifies adequate sites, anticipated to yield 3,243 units, which are appropriately zoned to address the affordable housing demand and anticipated to meet and exceed its 2014-2022 assigned RHNAs. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *Planning for an Aging Population*

The number of adults age 50 and older in Alameda County is projected to grow from 449,754 in 2010 to 701,000 in 2030, an increase of 55.9% and representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>7</sup>

The City of Pleasanton provides numerous city programs pertaining to an aging population, including the following: Adult Day Care/Respite, Alcoholism and Drug Abuse Prevention Programs, Alzheimer's Services, Caregiver Support Programs, Case Management/Coordination

<sup>6</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>7</sup> Year 2010–2030 ABAG projections.

of Services for Homebound Seniors, Disabled Adult Services and Programs, Educational Programs, Elder Abuse Prevention, Emergency Preparedness Programs, Employment Programs, End-of-Life Planning and Arrangements, Ethnic/Culturally Specific Programs, Financial Assistance, Food and Nutrition, Friendly Visitors/Telephone Reassurance Programs, Health Insurance Programs, Home Improvement Programs, Housing Assistance Programs, In-home Services, Injury Prevention, Legal Services, Medical/Dental Clinic & Services, Mental Health/Counseling Programs, Nursing Home Assistance/Long-Term Care Facilities, Transportation Programs and Services, Utilities Assistance, Veterans Services, Volunteer Opportunities. The Housing Element of the General Plan addresses housing choice and affordable housing for seniors.

### ***13.2.1.2 Anticipated Growth Patterns***

The City of Pleasanton reported approximately 78 entitled residential acres and approximately 250 undeveloped entitled residential acres in FY 2015.

The City has identified numerous projects as part of their projected growth over the next five years, including planned projects totaling 1,971 dwelling units and 800,000 commercial square feet.

PDA, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. One PDA has been identified for the City of Pleasanton in Plan Bay Area. The Hacienda PDA, characterized as a suburban center, comprises approximately 875 acres in north Pleasanton with direct access to the West Dublin/Pleasanton BART station. The area encompasses over 11 million square feet of existing, mixed-use, transit-oriented space and is occupied by approximately 650 companies that employ approximately 18,000 people. In addition, the Hacienda PDA also includes rental units, townhomes, and single-family detached homes housing approximately 4,000 residents. At this time, there is no pending plan for a long-range plan to intensify development or include more residential opportunity sites for the area. The City consults with outside municipal service providers to ensure that the PDAs will receive adequate services at buildout.

Priority Conservation Areas (PCAs), which are areas of regionally significant open space facing development pressure, also help form the implementing framework for Plan Bay Area. The Chain of Lakes PCA is located primarily in unincorporated Alameda County between Pleasanton and Livermore. The Chain of Lakes PCA is considered vital for soil and water quality (especially for protecting reservoir water quality), plant and animal diversity, habitat for sensitive species, wildlife corridors, the regional trail system, and outdoor recreation. It is also a priority for protection and potential acquisition for regional parkland and trails as identified in the 1997 East Bay Regional Park District Master Plan.<sup>8</sup>

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<sup>8</sup> Alameda County Transportation Commission. Alameda County PDA Investment and Growth Strategy, March 2013.

The City of Pleasanton does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI within the next five years.

### **13.2.3 Boundaries, Islands, and Disadvantaged Unincorporated Communities**

The City of Pleasanton's SOI extends beyond the municipal boundary to the east, west, and south (see Figure 13.1) and overlaps partially with the municipal boundary for the City of Hayward. The Livermore Area Recreation and Park District also overlaps the City of Pleasanton boundary in the City's southeast corner.

The City is considering the possibility of modifying the SOI in the southeastern area of the City (west of the Ruby Hill development) so that it is coterminous with State Route 84 (as it is along the western portion of Route 84). This alignment would make better geographic sense, as the SOI appears not to follow any parcel lines, and results in an illogical "gap."

The City of Pleasanton provides services to areas outside its municipal boundary and/or SOI as follows: Properties in unincorporated Happy Valley, the Remen Tract, and scattered west of Foothill Road, Castlewood, and Sunol. The properties west of Foothill are generally located to the west of Foothill Road. Many of these areas are within the now dissolved Pleasanton Township County Water District (PTCWD), a former independent special district. The PTCWD provided water and was engaged in water conservation. The City and PTCWD entered into agreements in the 1960s to form a working partnership and clarify service provision. One of the terms of the agreements was to allow the City to provide water service without requiring annexation. However, in April 1972, the PTCWD, was dissolved and the City of Pleasanton was the successor agency and took on administration of the Water Assessment Districts originally created by the PTCWD. Thus, areas including Castlewood, parts of Sunol, and Santos Ranch Road have received water connections and service without annexation. Although most of these properties are within Pleasanton's SOI, some are outside the SOI. The City also provides water and sewer operation and maintenance services to Castlewood via the Castlewood County Service Area pursuant to a Standard Services Agreement with Alameda County. Properties in the Castlewood and the unincorporated Happy Valley area are within Pleasanton's SOI.

The City of Pleasanton surrounds two islands of unincorporated territory: the Remen Tract and the property known as the Merritt property. Both of these areas meet the criteria for expedited annexation pursuant to Government Code Section 56375.3. The criteria include, but are not limited to that the territory is less than 150 acres, it is substantially developed, it is not prime agricultural land, and it is currently receiving benefits from the City.

The Remen Tract is approximately 22 acres with 48 lots generally bounded by Bernal Avenue on the east, Vineyard Avenue on the south, Wild Flower Lane to the west, and Arroyo Del Valle creek to the north. The City provides water, sewer and fire protection services via contract in this area. LAFCo recently approved retroactive service connections for 19 properties in the Remen Tract. Annexation of the Remen Tract has been discussed periodically, with the most recent City Council discussion occurring in May 1997. The City indicates that Remen Tract property owners



do not support annexation because they have concerns about infrastructure and zoning issues, as well as the possible extension of Vine Street. LAFCo hosted a community meeting in May 2017 where similar concerns were expressed by a majority, but not all, of the property owners.

As part of the recent retroactive approval of out-of-area service agreements in the unincorporated Happy Valley and Remen Tract areas, LAFCo imposed conditions of approval designed to promote the orderly, logical, and efficient delivery of services needed to support existing and future development in these areas. The conditions seek to clarify service provision issues and document the state of the existing infrastructure (water and sewer lines, fire hydrants, roadways, etc.). In February 2017, Pleasanton completed a study of the unincorporated Happy Valley area. Plans are underway for a similar study of the Remen Tract area.

### 13.2.2.1 Disadvantaged Unincorporated Communities

There are no identified DUCs within or contiguous to the SOI for the City of Pleasanton and therefore, no DUCs are relevant to this analysis.

## 13.4 City Services Overview

As noted in Section 13.1 and as shown in **Table 13.5**, municipal services for the City of Pleasanton are provided by City staff, via JPA, and under contract with other service providers. Municipal services considered in this update are discussed individually below. Stormwater, water, and wastewater services will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

**TABLE 13.5**  
**CITY OF PLEASANTON**  
**MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	City of Pleasanton	East County Animal Shelter
Fire and Emergency Response	—	Livermore-Pleasanton Fire Department
Law Enforcement	City of Pleasanton	Alameda County Sheriff
Library	City of Pleasanton	—
Lighting	City of Pleasanton	Cal-West
Parks and Recreation	City of Pleasanton	East Bay Regional Park District, Alameda County
Planning/Building	City of Pleasanton	—
Solid Waste	—	Pleasanton Garbage
Stormwater	City of Pleasanton	—
Streets	City of Pleasanton	—
Utilities and Broadband:		
Electricity	—	Pacific Gas & Electric
Gas	—	Pacific Gas & Electric
Broadband	—	Comcast, AT&T, Sonic.net

Service	Primary Service Provider	Non-city Service Provider
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Mosquito Abatement District
Water	City of Pleasanton	—
Wastewater	City of Pleasanton	Dublin San Ramon Services District

Source: City of Pleasanton

In the years since the 2008 MSR, the City has implemented the following service efficiencies:

- Over 5,400 high-pressure sodium streetlights were modified to Light Emitting Diode (LED) energy efficient street light fixtures.
- Recycled water infrastructure is being installed in various locations throughout the City, which will result in savings of over 450 million gallons of water annually.
- The Community Development Department implemented Accela, an electronic permit tracking system used to track Building, Engineering, Fire, Code Enforcement, and Planning Division permits.
- The Operations Service Department implemented a mobile app that allows residents to report issues such as potholes, graffiti, illegal dumping, and other requests for services by simply taking a photo and submitting it on their mobile device via an app.
- The City plans to implement Automated Metering Infrastructure to replace old and worn out water meters and upgrade all residential and commercial meters with the latest technology design to help monitor water use and more accurately record consumption.
- The maintenance of City parks and recreation facilities was shifted from the Parks and Recreation Department to the Operation Services Department to better facilitate maintenance of City-owned parks and recreation buildings.

Mutual aid agreements with surrounding communities include a joint SWAT team and joint use of facilities (e.g., Alameda County regularly uses Pleasanton’s Council Chambers for hearings). A sub-station for the Pleasanton Police Department will be constructed in conjunction with the Workday development located near Stoneridge Mall. Also, the City will be executing a Memorandum of Understanding with the East Bay Regional Park District to address matters particular to the addition of the Castleridge Trailhead, including circulation and parking improvements, new access to the Castleridge trail, and construction of restroom and water fountain facilities on City-owned open space.

The City of Pleasanton has not begun providing any new municipal services since the 2008 MSR update and has not eliminated services.

The City of Pleasanton reports the following opportunities and challenges related to its provision of municipal services:

**Opportunities**

- Environmental benefits of enhanced water quality in aquifer
- Construction of additional housing to address affordability
- Shaping the design character at the City's edges

**Challenges**

- Costs associated with provision of services
- Lack of support for annexation
- Potential for increase in population outside municipal boundary

A summary of the City's municipal service level statistics for FY 2015 is provided in Table A.12 of **Attachment A**.

*13.2.3.1 Animal Control, Vector Control*

The City of Pleasanton and East County Animal Shelter are the animal control service providers for the City, enforcing the Pleasanton Municipal Code, responding to animal complaints, investigating reports of neglect or abuse, and impounding sick or injured pets or wildlife. FY 2015 expenditures were \$222,000.

For 2015, 16.2 dog licenses were issued per 1,000 population, for a total of 1,215 licenses. The number of animals handled by City of Pleasanton and East County Animal Shelter in 2015 was 403, down from 592 in 2008. The City of Pleasanton and East County Animal Shelter received 2,268 calls for service in 2015, down from 2,551 in 2008.

Throughout Alameda County, and including the City of Pleasanton, vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, including the City of Pleasanton.

### ***13.2.3.2 Fire and Emergency Response***

The City of Pleasanton shares fire protection and emergency response services with the City of Livermore. Public safety expenditures, which include fire and emergency response, were approximately \$46.1 million for FY 2016, of which \$18.1 million was for fire protection and emergency response services.

There were 5,579 reported calls for fire and emergency response service in 2016. Average fire and emergency response<sup>9</sup> time in 2016 was 6:03. Average response time was 5:40 in 2008. The National Fire Protection Association standard requires fire and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>10</sup> The City of Pleasanton has adopted a seven minute overall response time for all emergency calls on city streets. The overall response time includes call taker time through arrival on scene time. The City's goal is to meet this standard in 90% of all emergency calls. In 2016, the department met this standard in 85% of emergency calls for service.

Four of the five fire stations in the City are all in fair to good condition. Fire Station #3 is scheduled to be replaced in FY 17/18, and facility enhancements and regular maintenance are scheduled for the other four stations. The City has an annual budget for fire equipment and vehicle replacement.

### ***13.2.3.3 Law Enforcement***

The City of Pleasanton provides law enforcement and dispatch services. Public safety expenditures, which include law enforcement, were approximately \$42.7 million for FY 2015. Public safety expenditures account for 45% of General Fund expenditures.

The City of Pleasanton has 1.1 FTE sworn personnel per 1,000 population, which represents a slight decrease from 1.25 FTE in 2008. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>11</sup> There was an increase in crimes per sworn FTE from 18 in 2008 to 21 in 2015. The violent crime clearance rate was down to 78% in 2015 from 91% in 2008, and the property crime clearance rate was down only slightly to 26% in 2015 from 27% in 2008.<sup>12</sup>

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<sup>9</sup> Policy 10 in the City's General Plan sets a 7-minute response time.

<sup>10</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

<sup>11</sup> National Sources of Law Enforcement Employment Data. April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

<sup>12</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the

The City's police station is in fair condition and has enhancement projects scheduled in FY 17/18.

### ***13.2.3.4 Library***

The Pleasanton Public Library provides library services such as access to books, media, the internet, community events, and activities at its one location. The items circulated per capita increased to 19.35 in 2015 from 18 in 2008. The library increased the public access computers per 1,000 population to 0.44 in 2015 from 0.35 in 2008. Library expenditures were approximately \$57.96 per capita (approximately \$4.3 million total) for FY 2015, up from approximately \$56.24 per capita (approximately \$3.9 million) in FY2008.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>13</sup> Select statistical data for the most recent year (FY 2014/2015) is provided in this MSR Update for comparative purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY2014/2015.

### ***13.2.3.5 Lighting and Streets***

Lighting (street and traffic) in the City is provided and maintained by the City of Pleasanton. City expenditures for light and signal maintenance were \$12,289 per street mile for FY 2008. FY 2015 total expenditures were \$1,596,000 which is approximately \$7,710 per street mile.

The City of Pleasanton provides and maintains 207 street miles and 75 Class 1 and 2 bike lane miles. Total expenditures for streets in FY 2015 were \$49,900.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in the City of Pleasanton was 76 (good) in 2009.<sup>14</sup> Pavement in the good (70-79) range requires mostly preventive maintenance and shows only low levels of distress. The PCI increased to 79 in 2015 and remains above the target PCI of 75 MTC has established.<sup>15</sup>

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caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

<sup>13</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lids/librarystats.html>

<sup>14</sup> 2008 data were not available

<sup>15</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

### ***13.2.3.6 Parks and Recreation***

The City is the primary service provider for parks and recreation. East Bay Regional Park District also provides regional trail and recreation facilities. FY 2015 expenditures for parks and recreation were \$6,392,575. City expenditures for FY 2008 were \$6,313,924.

An overlap area exists with the Livermore Area Recreation and Park District (LARPD) in the southeastern area of Pleasanton, and property owners and residents in this area may participate in LARPD services and/or avail themselves of LARPD's services.

The City provides and maintains 1,472 park acres, East Bay Regional Park District provides 5,537 acres, and Alameda County provides 265 acres, for a total of 7,274 acres (approximately 10.3 park acres per 1,000 residents). The City also provides 2.9 recreation centers per 20,000 population and 24 miles of recreation trails, as well as a variety of recreational programming. Alameda County owns the County fairgrounds located in Pleasanton.

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. The City of Pleasanton's level of service standard is 5 acres per 1,000 new residents.

### ***13.2.3.7 Planning and Building***

The City of Pleasanton Community Development Department provides planning and building services. The Planning Division plans for current and future development in the City, and reviews development projects for conformance with City regulations. The Building and Safety Division provides plan review and field inspections of all structures to ensure safe, healthy, accessible and sustainable buildings, and enforces the Municipal Code and state codes. FY 2015 expenditures were \$4,804,000.

The City issued 3,209 residential and 530 commercial building permits. Total building permit valuation in FY 2015 is estimated at \$157.9 million. The adopted planning documents reported by the City are listed in **Attachment B**.

### ***13.2.3.8 Solid Waste***

Solid waste services are provided to the City of Pleasanton by Pleasanton Garbage Service. Pleasanton Garbage Service transports solid waste collected from the City of Pleasanton to the Transfer Station and Recycling Center in Pleasanton. FY 2015 expenditures were \$11,937,000.

The City reported 1.02 tons of waste disposed per capita for FY 2015, and a total diversion rate of 78%. The FY 2015 per resident disposal rate was 5.6 pounds/resident/day.

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

### ***13.2.3.9 Utilities and Broadband***

Pacific Gas & Electric provides gas and electricity services to the City of Pleasanton. The City coordinates with Pacific Gas & Electric regarding the location and condition of gas pipelines. Pleasanton is a member of the recently formed East Bay Community Energy Authority.

The City does not provide public broadband service. XFINITY from Comcast, AT&T U-verse, and Sonic.net each offer internet access to the city. These providers use a variety of wired technologies including cable and DSL. The City of Pleasanton did not indicate concerns about the availability or reliability of high-speed internet services. The California Public Utilities Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report card for 2013. The City of Pleasanton received a grade of C-, which indicates that internet service providers meet the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.<sup>16</sup>

The City did not indicate concerns about the ability of utility service or broadband providers to serve its existing or growing population.

## **13.2.4 City Services Determinations**

### ***13.2.4.1 Present and Planned Capacity of Facilities, Adequacy of Public Service***

As noted above, there are no DUCs within or contiguous to the City's SOI.

Average fire and emergency response time was 6:03 in 2016, which exceeds the City's 7-minute standard outlined in Policy 10 of the General Plan.

The City of Pleasanton reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.

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<sup>16</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www. bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).

### *Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs*

When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

### *Consistency with Capital Improvement Plans*

The Capital Improvement Program sets priorities for building the City's infrastructure such as parks, sewer/storm drain improvements, pedestrian/bicycle network, traffic/street improvements, affordable housing, and community facilities. During FY 2015, the City Council committed additional fund balance categories for Capital Improvement Projects and Repair and Replacement Reserves. Funds committed under the Capital Improvement Program Reserve will be used for future City projects as identified in the Capital Improvement Program. Funds committed under the Repair & Replacement Reserve will be used to provide ongoing replacement of City equipment, vehicles, traffic signals, streetlights, and to make major repairs/renovations to City facilities, parks, and medians, in order to extend their useful lives.

The City indicates its top three capital priorities include implementing the Bike and Pedestrian Master Plan, building Phase II of the Bernal Community Park, and building a second bridge on Bernal Avenue.

### *Consistency with Local and Regional Land Use Plans and Policies*

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *13.2.4.2 Status and Opportunities for Shared Facilities*

The sharing of municipal services and facilities involves centralizing functions and facilities. Municipalities will collaborate through joint-use and shared services agreements for the joint provision of public services and joint use of public facilities as a way to save resources.

### *Current Shared Services*

The City provides an array of municipal services, with the exception of solid waste, utilities, and vector control. These services are provided via contract with public or private vendors. The City shares fire services with the City of Livermore. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.



*Duplication of Existing or Planned Facilities*

This review did not identify any duplication of existing or planned facilities.

*Availability of Excess Capacity*

No excess service or facility capacity was identified as part of this review.

**13.2.5 Financial Information**

This section provides an overview of the City’s financial health and provides a context for assessing the City’s financial ability to provide services.

Key FY 2015 financial information for City of Pleasanton municipal operations is discussed below. The information in this section has been obtained from the audited 2015 Comprehensive Annual Financial Report (CAFR) and from City staff. For comparative purposes, FY 2008 CAFR and staff-provided financial information is also included where available.

*13.2.5.1 Revenues and Expenditures*

A comparison of the revenues and expenditures for the City’s governmental and proprietary funds is shown in **Table 13.6**.

**TABLE 13.6  
CITY OF PLEASANTON  
COMPARISON OF REVENUE AND EXPENDITURES  
FY 2008 AND FY 2015**

	<b>FY 2008</b>	<b>FY 2015</b>
Total Revenue	\$180,734,798	\$157,676,497
Total Expenditures	\$150,883,238	\$138,629,466
<b>Net Surplus/(Deficit)</b>	<b>\$29,851,560</b>	<b>\$19,047,031</b>

In FY 2015, total expenditures for the City of Pleasanton exceeded \$138.6 million, which represents a decrease of approximately \$12.3 million from FY 2008.

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and expenditures for the General Fund are shown in **Table 13.7**. General Fund expenditures constituted approximately 68% (\$94.6 million) of the total expenditures for FY2015.

**TABLE 13.7**  
**CITY OF PLEASANTON**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Taxes	\$76,668,560	\$85,842,939
Recreation Charges	\$3,731,918	\$4,063,003
Permits	\$1,701,275	\$3,276,533
Franchises	\$1,783,405	\$2,455,509
Other Revenue	\$3,371,950	\$2,398,413
Plan Check Fees	\$995,038	\$1,963,429
Reimbursements	\$1,485,911	\$1,448,828
Charges for Services	\$1,057,385	\$969,285
Intergovernmental	\$950,399	\$864,432
Fines and Forfeitures	\$544,465	\$535,269
Use of Money and Property	\$1,368,362	\$256,637
Development Fees	\$389,752	\$56,523
Licenses	\$11,591	\$10,018
Contributions and Donations	\$9,337	\$5,531
<b>Total Revenue</b>	<b>\$94,069,348</b>	<b>\$104,146,349</b>
Expenditures by Program		
Public Safety	\$36,332,501	\$42,578,873
Operations Services	—	\$15,824,851
General Government	\$12,405,156	\$12,355,234
Community Development	—	\$12,051,352
Community Activities	\$18,000,806	\$11,329,968
Capital Outlay and Debt Service	—	\$475,986
Public Works	\$15,596,778	—
Planning and Community Development	\$4,074,432	—
Capital Outlay	\$598,824	—
<b>Total Expenditures</b>	<b>\$87,008,497</b>	<b>\$94,616,264</b>
<b>Net Surplus/(Deficit)</b>	<b>\$7,060,851</b>	<b>\$9,530,085</b>

Total General Fund expenditures have increased by approximately \$7.6 million (9%) since FY 2008. The major expenditure of the City's General Fund is Public Safety (police and fire), which accounts for nearly half of the fund's annual expenditure stream.

The major revenues to the City's General Fund are taxes (property tax, sales tax, and other taxes), which comprise approximately 82% of the fund's annual revenue stream. The primary source of revenue is property tax, which in FY 2015 was above FY 2008 levels. **Table 13.8** provides a comparison of overall tax revenues.

**TABLE 13.8**  
**CITY OF PLEASANTON**  
**COMPARISON OF TAX REVENUES**  
**FY 2008 AND FY 2015<sup>1</sup>**

Type	FY 2008	FY 2015
Property Tax	\$48,000,000	\$53,740,000
Sales Tax	\$21,100,000	\$22,410,000
Other Taxes	\$7,300,000	\$9,300,000
Motor Vehicle in lieu	<\$1,000,000	—
Total taxes	<\$77,4000,000	\$85,450,000

<sup>1</sup> All numbers have been rounded

City of Pleasanton property tax revenue has increased by approximately \$5.7 million (12%) since FY 2008. The City's sales tax revenue has increased by approximately \$1.3 million (6%) since FY 2008.

### 13.2.5.2 Debt

**Table 13.9** summarizes the City's obligations, debt, and liabilities.

**TABLE 13.9**  
**CITY OF PLEASANTON**  
**COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES**  
**FY 2008 AND FY 2015<sup>1</sup>**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$31,490,000	\$0
Ratio of Direct Debt <sup>2</sup> to Net Assessed Valuation	0.17%	0.01%
Ratio of Combined Debt <sup>3</sup> to Net Assessed Valuation	2.37%	1.31%
Unfunded Pension Liability	\$45,960,000	\$115,260,000

<sup>1</sup> All numbers have been rounded

<sup>2</sup> General bonded debt

<sup>3</sup> Direct and overlapping debt

Standard and Poor's suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilized capital investment capacity. The City of Pleasanton has erased its general bonded debt since 2008. In September 2014, the City made its last debt service payment for its outstanding bonds. Therefore, the City is now debt-free except for multifamily housing conduit bonds that are the obligation of the respective housing project that was funded with the bond proceeds. There is an outstanding loan payable to Alameda County for the remaining portion of the purchase of the Alameda County Transportation Corridor. However, the City has set aside the necessary funds for these loan payments. The ratio of direct debt to net assessed valuation has decreased, as has the ratio for combined debt, since 2008.

Similar to many cities, the City of Pleasanton has seen an increase in its reported unfunded pension liability since 2008, partially due to Governmental Accounting Standards Board (GASB)

68.<sup>17</sup> The City's unfunded pension liability<sup>18</sup> is approximately 111% of the general fund revenue for FY 2015 (i.e., more than the total general fund revenue would be needed to fully fund the existing pension liability if addressed all in one year). Although the City does not have a formal policy regarding funding pension obligations, it does fully fund the required annual contributions for pension liabilities.

### 13.2.5.3 Reserves

The City's long-term financial policies place an emphasis on building reserves to fund capital assets while minimizing the use of debt. The City continues to maintain a 10% reserve for economic uncertainties in the General Fund, currently totaling \$10.4 million at June 30, 2015. Also at June 30, 2015, the City had \$7.2 million in unassigned and non-spendable reserves for total General Fund Reserves of \$20.6 million.

Pleasanton's unassigned General Fund reserve levels have decreased by over half since FY 2008 (**Table 13.10**).

**TABLE 13.10**  
**CITY OF PLEASANTON**  
**COMPARISON OF RESERVES**  
**FY 2008 AND FY 2015**

	FY 2008	FY 2015
Unassigned General Fund Reserve Level	\$15,410,000	\$7,090,000
Economic Uncertainty Reserve Fund <sup>1</sup>	\$4,618,213	\$1,894,755

<sup>1</sup> Separate from General Fund Reserve

### 13.2.5.4 Fiscal Health Indicators

Overall, the City of Pleasanton appears to be in positive fiscal health, as shown by the General Fund fiscal indicators in **Table 13.11**.

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<sup>17</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports.

<sup>18</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city's General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.

**TABLE 13.11**  
**CITY OF PLEASANTON**  
**GENERAL FUND FISCAL INDICATORS**  
**FY 2008 AND FY 2015**

Indicator	FY 2008	FY 2015
Net Operating Deficit/Surplus	\$624,284	\$5,563,287
Liquidity Ratio <sup>1</sup>	31.13	13.86
Fund Balance as Percent of Expenditures <sup>2</sup>	29.3%	21.7%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures

Since FY 2008, the City has reported a surplus in its annual operating General Fund.

The unassigned General Fund Balance was 21.7% of total General Fund budgeted expenditures of \$94.6 million for FY 2015. This exceeds the 10 percent reserve goal for unassigned fund balances. The City has committed over \$10.4 million for economic fluctuations and emergencies.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Moody's has assigned Pleasanton a bond rating of Aa2 (high quality).<sup>19</sup>

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). City of Pleasanton FY 2015 assets exceeded its liabilities 2015 by \$747 million. During FY 2015, however, the City implemented GASB Statements No. 68 and 71, which require local governments to include pension liabilities in their annual financial reports. The City therefore restated its beginning net position to record the City's net pension liability, resulting in a decrease in total net position of 13.5% (\$116.9 million) from FY 2014. Taking into account the restatement, the City's FY 2015 net position increased 2.6% (\$19 million) over the restated net position.

### ***13.2.5.5 Financial Reporting***

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end. The City of Pleasanton published its CAFR for FY 2015 in a timely manner (within 6 months of

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<sup>19</sup> Comparable to Standard and Poor's rating of AA (high quality).

the fiscal year end). The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

## **13.2.6 Financial Determinations**

### ***13.2.6.1 Financial Ability of Agency to Provide Services***

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Overall, the City of Pleasanton appears to have sufficient financial resources to continue providing services, as well as to accommodate infrastructure expansion, improvements, or replacement, as indicated below.

#### ***Operating General Fund deficit and surplus trends for the past five years***

The City of Pleasanton reports a five-year trend of surpluses in their annual operating general fund. The five-year average increased from \$624,284 in FY 2008 to \$5,563,287 in FY 2015.

#### ***Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing***

For FY 2015, the City transferred \$1.4 million from the General Fund reserves to fund capital projects.

#### ***Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year***

As of June 30, 2015 the unassigned general fund balance represented approximately 21.7% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

#### ***Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year***

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 13.9, which indicates the City has the means available to cover its existing obligations in the short-term.

#### ***Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end***

The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

## 13.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

### 13.2.7.1 Online Availability of City Governance Information

The City of Pleasanton website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City’s biennial budget; and the City’s annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

### 13.2.7.2 Online Availability of City Planning Information

The City of Pleasanton website provides public access to the City’s general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

### 13.2.7.3 Public Involvement

The City of Pleasanton website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 13.2.8 Service Review Determinations Summary

**Table 13.12** summarizes the service review determinations discussed throughout Section 13.2.

TABLE 13.12  
CITY OF PLEASANTON  
SUMMARY OF SERVICE REVIEW DETERMINATIONS

Determination Area and Criteria	Determination
<i>Growth and population projections for the affected area</i>	
Projected growth and demographic changes in and around the agency’s service areas based on ABAG population projections	ABAG projects that the City’s population will grow at an annual rate of 0.9% to a population of 83,900 in 2030. The City of Pleasanton is projected to experience a 0.9% annual growth rate in jobs between 2010 and 2030. Overall, the City’s planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	The City of Pleasanton does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI within the next five years.
<i>Location and characteristics of Disadvantaged Unincorporated Communities within or contiguous to the SOI</i>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household income that is less than 80% of the statewide annual median household	There are no identified DUCs within or contiguous to the SOI for the City of Pleasanton.

Determination Area and Criteria	Determination
income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	
<b><i>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</i></b>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.
Consistency with capital improvement plans	The Capital Improvement Program sets priorities for building the City's infrastructure such as parks, sewer/storm drain improvements, pedestrian/bicycle network, traffic/street improvements, affordable housing, and community facilities. During FY 2015, the City Council committed additional fund balance categories for Capital Improvement Projects and Repair and Replacement Reserves. Funds committed under the Capital Improvement Program Reserve will be used for future City projects as identified in the Capital Improvement Program. Funds committed under the Repair & Replacement Reserve will be used to provide ongoing replacement of City equipment, vehicles, traffic signals, streetlights, and to make major repairs/renovations to City facilities, parks, and medians, in order to extend their useful lives. The City indicates its top three capital priorities include implementing the Bike and Pedestrian Master Plan, building Phase II of the Bernal Community Park, and building a second bridge on Bernal Avenue.
Consistency with local and regional land use plans and policies	The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.
<b><i>Financial ability of the agency to provide services</i></b>	
Operating General Fund deficit and surplus trends for the past five years	The City of Pleasanton reports a five-year trend of surpluses in their annual operating general fund. The five-year average increased from \$624,284 in FY 2008 to \$5,563,287 in FY 2015.
Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing	For FY 2015, the City transferred \$1.4 million from the General Fund reserves to fund capital projects.
Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year	As of June 30, 2015 the unassigned general fund balance represented approximately 21.7% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.
Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year	The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 13.9, which indicates the City has the means available to cover its existing obligations in the short-term.
Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual	The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.



Determination Area and Criteria	Determination
Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end	
<b><i>Status of and opportunities for shared facilities</i></b>	
Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas	The City provides an array of municipal services, with the exception of solid waste, utilities, and vector control. These services are provided via contract with Alameda County or private vendors. The City shares fire services with the City of Livermore. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency's website	The City of Pleasanton website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency's website	The City of Pleasanton website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.
Time and place for public to provide input prior to decision being made	The City of Pleasanton website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 13.3 Sphere of Influence Review and Determinations

### 13.3.1 Sphere of Influence Recommendation

The SOI for the City of Pleasanton extends beyond the municipal boundary to the east, west, and south, as shown in Figure 13.1. The City of Pleasanton is surrounded by the cities of Dublin, Hayward, and Livermore, as well as unincorporated Alameda County.

This report recommends that Alameda LAFCo consider the feasibility of incorporating into Pleasanton's SOI the existing quarry area between Pleasanton and Livermore. This quarry area would then be a shared SOI with the City of Livermore with conditions (to be determined by LAFCo) attached regarding future planning for this unincorporated area.

The City has requested a modification of their SOI in the southeastern area of the City (west of the Ruby Hill development) so that it is coterminous with State Route 84 (as it along the western portion of Route 84). This alignment would make better geographic sense, as the line as it is now does not appear to follow any parcel lines, and results in an illogical "gap." This report therefore recommends that Alameda LAFCo modify the existing SOI for the City of Pleasanton so that it is coterminous with State Route 84 as shown in **Figure 13.3**.

The City provides water services to areas outside its municipal boundaries or SOI within the now-dissolved Pleasanton Township County Water District (Castlewood, parts of Sunol, and Santos Ranch Road), a former independent special district. The City also provides water and sewer services to Castlewood pursuant to a Standard Services Agreement with Alameda County. This report therefore recommends that Alameda LAFCo consider modifying the existing SOI for the City of Pleasanton to include the former water district area.

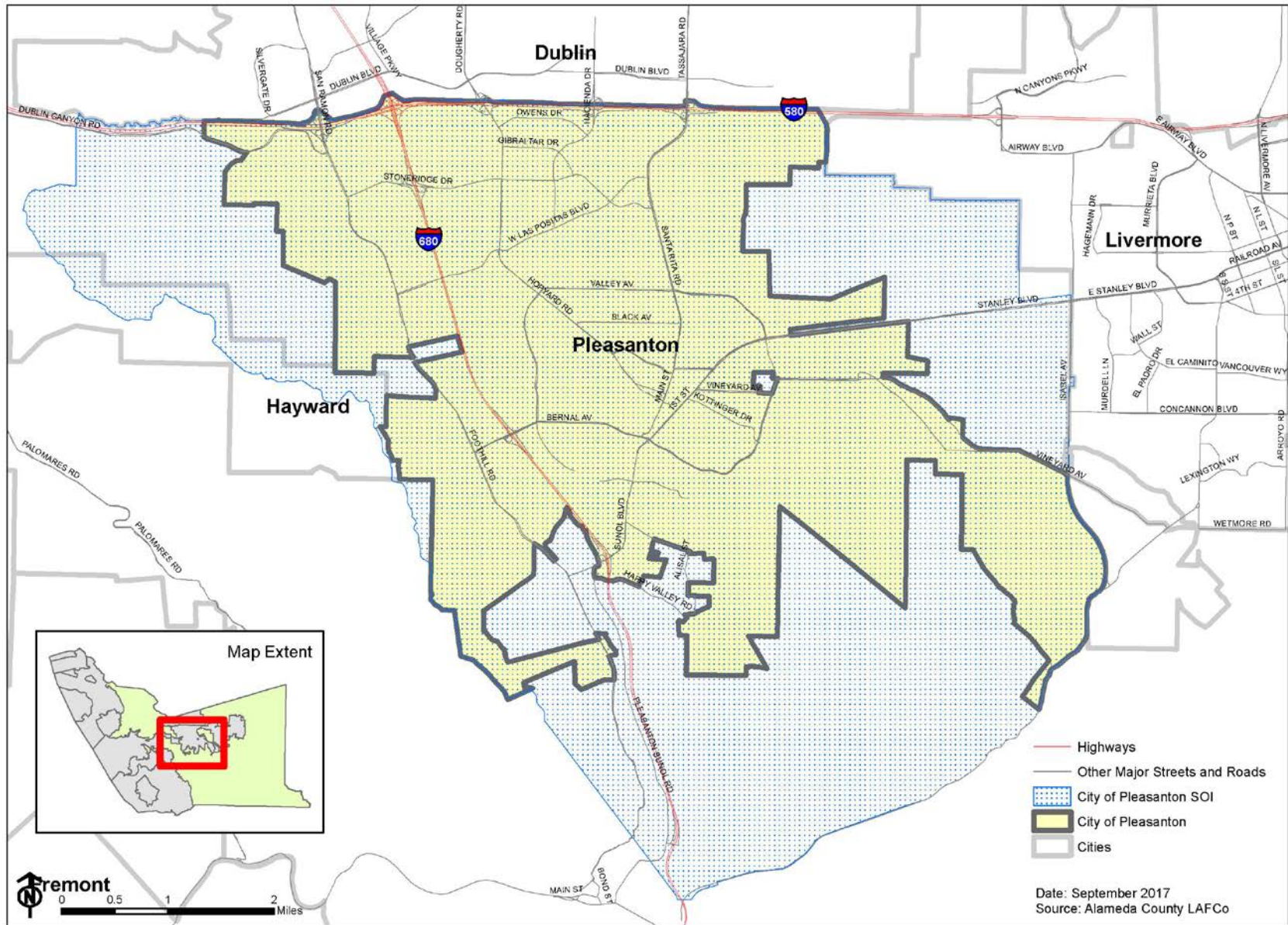
### 13.3.2 Sphere of Influence Determinations for the City of Pleasanton

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 13.13**. These determinations are made as part of the review of the existing SOI and are based on the information in this City of Pleasanton MSR profile.

**TABLE 13.13**  
**CITY OF PLEASANTON**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	The City of Pleasanton plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including residential; mixed use; industrial, commercial, and office; community facilities, and open space. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (2009).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for the City of Pleasanton. The level

	<p>of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.</p>
<p><b><i>The present and probable future capacity of public facilities and services</i></b></p>	<p>The present capacity of public facilities in the City of Pleasanton appears adequate. The City of Pleasanton anticipates it will continue to have adequate capacity during the next five years.</p>
<p><b><i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i></b></p>	<p>All communities of interest within the City’s municipal boundary are included within the SOI. Alameda LAFCo has not identified specific social or economic communities of interest relevant to the City of Pleasanton.</p>
<p><b><i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i></b></p>	<p>The City of Pleasanton shares sewer, water, and structural fire protection facilities and services within its SOI with the City of Livermore. There are no DUCs within or contiguous to the SOI for the City of Pleasanton and therefore no present or probable need for these facilities and services for DUCs.</p>



**Figure 13.3. City of Pleasanton Modified Sphere of Influence (Extension to State Route 84)**

# Chapter 14

## City of San Leandro

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### 14.1 Agency Overview



The City of San Leandro, incorporated in 1872, covers an area of 15 square miles. The 2010 U.S. Census Bureau data shows the population as 84,950. The California Department of Finance estimates the January 1, 2016 population as 87,700. The City has a population density of approximately 5,847 persons per square mile.

The City of San Leandro lies on the San Francisco Bay and is surrounded by the City of Oakland and the unincorporated communities of Ashland and San Lorenzo. Land uses in the City include a mix of residential, commercial, industrial, mixed use, public/open space. The Sphere of Influence (SOI) for the City of San Leandro is mostly coterminous with the municipal boundary, and extends beyond the municipal boundary to the east as shown in **Figure 14.1**.

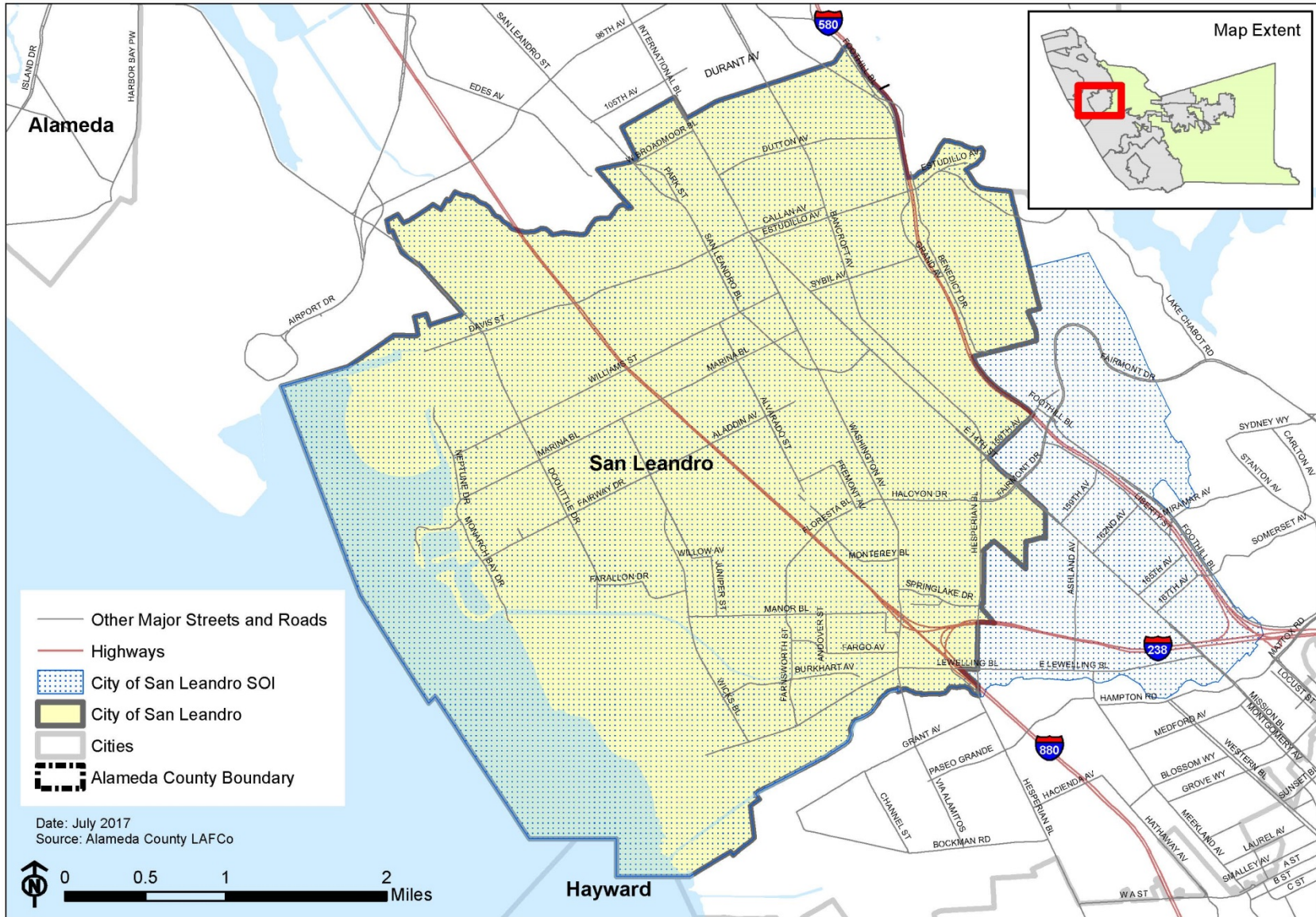
The municipal services considered in this review that are provided by the City of San Leandro include: animal control, law enforcement, library, lighting, parks and recreation, planning and building, streets, and broadband. Other services, such as fire protection and emergency response and solid waste, are provided under contract with other service providers.

#### 14.1.1 City Staffing

Total City staffing for fiscal year (FY) 2015 included 417.0 full-time equivalent (FTE) employees.<sup>1</sup> **Table 14.1** shows the four service areas with the highest staffing levels.

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<sup>1</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 14.1. City of San Leandro Municipal Boundary and Sphere of Influence**

**TABLE 14.1**  
**CITY OF SAN LEANDRO**  
**HIGHEST STAFFING LEVELS BY SERVICE AREA**

Service Area	FY 2015 FTE
Police	139.0
Public Works Services	102.0
General Government	55.0
Recreation and Community Services	39.0

Source: City of San Leandro Comprehensive Annual Financial Report 2015.

Similar to other cities in Alameda County, the police function had the highest staffing level in the City of San Leandro, with 139.0 FTE employees.

### 14.1.2 Form of Government

The City of San Leandro is a charter city operating under the council-manager form of government. The City Council consists of seven members, including the Mayor; members serve four-year terms.

### 14.1.3 Joint Powers Authorities

The City of San Leandro is a member of the Joint Powers Authorities (JPAs) listed in **Table 14.2**.

**TABLE 14.2**  
**CITY OF SAN LEANDRO**  
**JOINT POWERS AUTHORITY MEMBERSHIP**

Joint Powers Authority	Service
East Bay Regional Communications System Authority	To build, own, and operate a state-of-the-art P25 compliant communications system for the public agencies within Alameda and Contra Costa counties.
Alameda County Transportation Commission	The mission of the Alameda County Transportation Commission is to plan, fund and deliver transportation programs and projects that expand access and improve mobility to foster a vibrant and livable Alameda County
East Bay Community Energy Authority	East Bay Community Energy is a joint powers authority that aggregates electricity demand within participating Alameda County jurisdictions in order to procure more sustainable electricity for its customers.
East Bay Dischargers Authority	Provides for the "more efficient disposal of wastewater produced in each Member Agency, all to the economic and financial advantage of each Agency and otherwise for the benefit of each Agency; and each of the Agencies is willing to plan with the other Agencies for joint wastewater facilities which will protect all of the Agencies."
Alameda County Waste Management Authority	The Authority is responsible for preparation of the Alameda County Integrated Waste Management Plan and Alameda County Hazardous Waste Management Plan. It manages a long-range program for development of solid waste facilities and offers many programs in the areas of source reduction and recycling, market development, technical assistance and public education. Funding is provided by per-ton disposal and waste import mitigation fees.

Joint Powers Authority	Service
Association of Bay Area Governments	ABAG’s mission is to strengthen cooperation and collaboration among local governments to provide innovative and cost effective solutions to common problems that they face.
Alameda County Housing Authority	—
Alameda County Mosquito Abatement District	—

Source: City of San Leandro

### 14.1.4 Awards and Recognition

**Table 14.3** lists the awards the City of San Leandro has reported receiving since the 2008 Municipal Service Review (MSR).

**TABLE 14.3  
CITY OF SAN LEANDRO  
AWARDS**

Award	Issuer	Year(s) Received
Digital Cities Award for Technology and Innovation	Center for Digital Government	2015
National Facility Design Award (for the Senior Community Center)	National Recreation and Park Association	2012
Most Effective Social Media (for social media campaign and community outreach efforts connecting with Chinese communities)	California Association of Public Information Officers	2016

Source: City of San Leandro



## 14.2 Service Review Determinations

The purpose of this MSR is described in Chapter 1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR update, the following analysis informs the determinations which have been prepared for the City of San Leandro.

### 14.2.1 Growth and Population Projections

According to the 2016 California Department of Finance estimates, the City of San Leandro serves 87,700 residents within its municipal boundary.

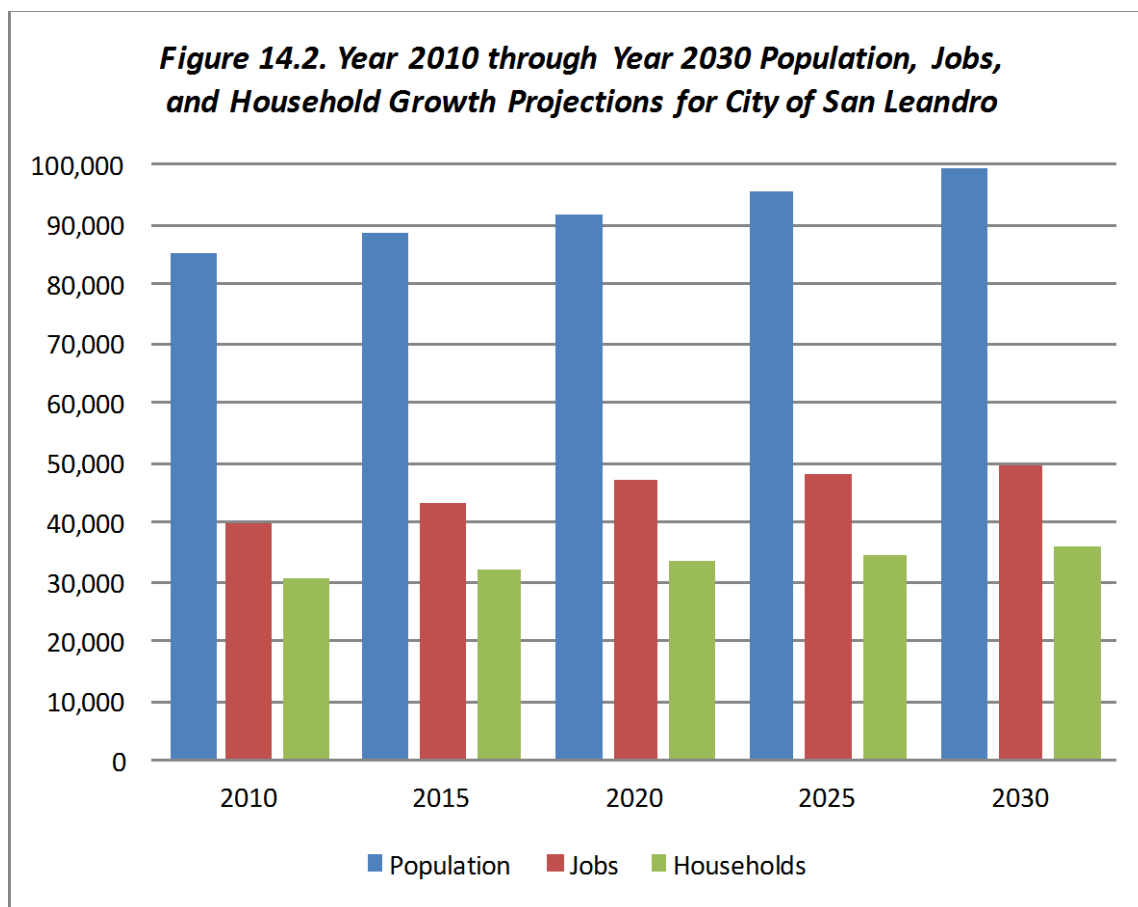
#### 14.2.1.1 *Projected Growth and Demographic Changes*

As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>2</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes 30-year growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for the City of San Leandro are depicted in **Figure 14.2**.

ABAG projects that the City's population will grow at an annual rate of 0.8% to a population of 99,200 in 2030. The City of San Leandro is also projected to experience a 1% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.

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<sup>2</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.



**Jobs and Housing**

According to ABAG Bay Area Census data<sup>3</sup> for 2010, the City of San Leandro has 40,278 employed residents. The ABAG and MTC jobs forecast estimates 39,980 jobs in the City, with approximately 0.99 job for every employed resident. ABAG estimates that the City of San Leandro has 32,419 housing units, which results in a job/housing balance of 1.23. The number of owner-occupied units in the City is greater than the number of renter-occupied housing units, as shown in **Table 14.4**, indicating that the rate of homeownership exceeds the rental household rate.

<sup>3</sup> ABAG Bay Area Census data are derived from US Census data specific to the Bay Area.

**TABLE 14.4**  
**CITY OF SAN LEANDRO**  
**HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	17,667
Renter-occupied housing units	13,050
Other <sup>1</sup>	1,702
Total existing housing units	32,419
<b>Regional Housing Need Allocation by Income Category 2014-2022</b>	
Above moderate	1,161
Moderate	352
Low	270
Very low	504
<i>Total Regional Housing Need Allocation</i>	<i>2,287</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their housing element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>4</sup> The City of San Leandro was assigned an RHNA of 2,287 units, as shown in Table 14.4.

The City adopted its General Plan in 2002 and its Housing Element in January 2015. The City has identified three potentials PDA for infill development, including housing. The City's 2015–2023 Housing Element identifies adequate sites, anticipated to yield 2,069 units, which are appropriately zoned to address the affordable housing demand in addition to the 278 planned and approved units, and anticipated to meet and exceed its 2014-2022 assigned RHNA. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *Planning for an Aging Population*

The number of adults age 50 and older in Alameda County is projected to grow from 449,754 in 2010 to 701,000 in 2030, an increase of 55.9% and representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>5</sup>

The City of San Leandro provides the following city programs pertaining to an aging population: Active Programming for Seniors at the Senior Community Center and other city facilities

<sup>4</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014-2022.

<sup>5</sup> Year 2010–2030 ABAG projections.

includes classes, education and health programs, and travel. The City also operates a FLEX Shuttle and a hot lunch program for seniors in need.

The City's recently adopted 2035 General Plan includes planning for senior services and facilities and its 2015 Housing Element Update addresses housing needs for seniors.

#### ***14.2.1.2 Anticipated Growth Patterns***

The City of San Leandro reported approximately 2 entitled residential acres and approximately 25 undeveloped entitled residential acres in FY 2015.

Numerous projects have been identified as part of the FY17–FY22 projected growth for the City and include 280 dwelling units and 100,000 commercial square feet, as well as a master planned mixed use project which includes hotel, office, retail, and residential. These projects are either approved or in the approval process.

PDA, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. Three PDAs have been identified for the City of San Leandro in Plan Bay Area. The Bay Fair BART Transit Village PDA, characterized as a future transit town center, consists of 133 acres surrounding the Bay Fair Center regional mall and Bay Fair BART station at the southern border between San Leandro and unincorporated Alameda County. Planning for the Bay Fair PDA is currently underway. The City consults with outside municipal service providers to ensure that the PDAs will receive adequate services at buildout.

The Downtown San Leandro Transit-Oriented Development PDA, characterized as a city center, consists of 414 acres with a radius of a quarter-mile from the intersection of East 14<sup>th</sup> Street and Davis Street. The primary goals of the Downtown Transit-Oriented Development PDA are to increase transit ridership and enhance Downtown San Leandro. The Plan contains land use, circulation and design guideline implementation strategies. The Plan may result in the following development quantities: 3,430 residential units, 120,800 square feet of retail and 718,200 square feet of office. The Transit-Oriented Development Plan includes development opportunity sites.

The East 14<sup>th</sup> Street PDA is characterized as a mixed-use corridor of 116 acres consisting of the entire East 14<sup>th</sup> Street corridor in San Leandro, exclusive of the Downtown and Bay Fair PDAs. The East 14<sup>th</sup> Street PDA contains goals/policies, a corridor concept plan, design guidelines, and a streetscape improvements plan and implementation strategies. The East 14<sup>th</sup> Street Strategy envisions a corridor of distinctive and vibrant neighborhood-commercial districts.

Priority Conservation Areas (PCAs), which are areas of regionally significant open space facing development pressure, also help form the implementing framework for Plan Bay Area. The East Bay Greenway PCA is in the cities of San Leandro, Oakland, and Hayward, as well as unincorporated Alameda County. The PCA is a planned bicycle and pedestrian pathway that extends from the City of Oakland to the City of Hayward underneath the elevated BART tracks. This 13-mile greenway will run through four jurisdictions and connect five BART stations, as well as other regional destinations, such as the Oakland Coliseum and Bay Fair Center.

Neighborhoods adjacent to the East Bay Greenway PCA are experiencing significant new growth, and already lack sufficient parks and opportunities for recreation. Once complete, the East Bay Greenway will be an amenity for these neighborhoods that increases connectivity, promotes health, and makes the surrounding areas more livable.<sup>6</sup>

The City of San Leandro does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI within the next five years.

## 14.2.2 Boundaries, Islands, and Disadvantaged Unincorporated Communities

The City of San Leandro’s SOI is mostly coterminous with its municipal boundary, with a portion of the SOI extending to the east (see Figure 14.1). The City does not anticipate any changes to its SOI within the next five years and does not provide services to any areas outside its municipal boundary or SOI. There are no unincorporated islands in the City of San Leandro.

### 14.2.2.1 Disadvantaged Unincorporated Communities

There are no identified DUCs within or contiguous to the SOI for the City of San Leandro and therefore, no DUCs are relevant to this analysis.

## 14.2.3 City Services Overview

As noted in Section 14.1 and as shown in **Table 14.5**, municipal services for the City of San Leandro are provided by City staff and under contract with other service providers. Municipal services considered in this update are discussed individually below. Stormwater, water, and wastewater services will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

**TABLE 14.5**  
**CITY OF SAN LEANDRO**  
**MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	City of San Leandro	Tri-City Shelter
Fire and Emergency Response	—	Alameda County Fire Department
Law Enforcement	City of San Leandro	—
Library	City of San Leandro	—
Lighting	City of San Leandro	—
Parks and Recreation	City of San Leandro	—
Planning/Building	City of San Leandro	—

<sup>6</sup> Alameda County Transportation Commission. Alameda County PDA Investment and Growth Strategy, March 2013.

Service	Primary Service Provider	Non-city Service Provider
Solid Waste	—	Alameda County Industries, Waste Management
Stormwater	—	Alameda County Flood Control Zones 2, 2A, 9, and 13
Streets	City of San Leandro	—
Utilities and Broadband:		
Electricity	—	Pacific Gas & Electric
Gas	—	Pacific Gas & Electric
Broadband	City of San Leandro	Comcast, AT&T, Sonic.net
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Mosquito Abatement District
Water	—	East Bay Municipal Utility District
Wastewater	City of San Leandro	East Bay Dischargers Authority, Oro Loma

Source: City of San Leandro

In the years since the 2008 MSR, the City has implemented Lit San Leandro, a public-private partnership delivering gigabit internet service to businesses, high-density residential projects, and public facilities. The City, as with other California cities, experienced the elimination of its Redevelopment Agency, which resulted in the reduction of economic development services, affordable housing programs, and funding for infrastructure projects throughout San Leandro.

The City of San Leandro reports the following opportunities and challenges related to its provision of municipal services:

### **Opportunities**

- Lit San Leandro high-speed fiber optic network
- Leveraging approved funding measures
- Execution of Transit-Oriented Development plans

### **Challenges**

- Meeting pension obligations
- Funding Capital Improvement Program needs, including road repairs
- Ensuring sufficient housing supply

A summary of the City's municipal service level statistics for FY 2015 is provided in Table A.13 of **Attachment A**.

#### **14.2.3.1**     *Animal Control, Vector Control*

The City of San Leandro and the Tri-City Shelter are the animal control service providers for the City. FY 2015 expenditures were \$141,306.

For 2015, 6.9 dog licenses were issued per 1,000 population (608 total), and they have 1,379 active licenses.<sup>7</sup> The number of animals handled by the City and the Tri-City Shelter in 2015 was 421, and 3,998 calls for service were received.

Throughout Alameda County, and including the City of San Leandro, vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, including the City of San Leandro.

### ***14.2.3.2 Fire and Emergency Response***

The City contracts with Alameda County Fire Department (ACFD) for fire protection and first-responder paramedic services. The ACFD staffs five stations that serve the City of San Leandro. Public safety expenditures, which include fire and emergency response, were approximately \$49.4 million for FY 2015.

There were 10,001 calls for fire and emergency response service in 2015. ACFD reports that average fire and emergency response times achieved over 90% compliance for 2015. Average fire and emergency response times were 4:37 from time of dispatch to arrival on scene. Average response time was 5 minutes in 2008. The National Fire Protection Association standard requires fire and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>8</sup>

Overall fire station conditions range from fair to good. The City recently funded the purchase of a new fire engine for use by ACFD. The City Council also recently directed staff to dedicate \$1.5 million in new funding in FY 2017-18 for the replacement of a ladder truck.

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<sup>7</sup> Licenses are issued for 1–3 years, with the duration tied to rabies shots.

<sup>8</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

### **14.2.3.3 Law Enforcement**

The City of San Leandro provides law enforcement and dispatch services. Public safety expenditures, which include law enforcement, were approximately \$49.4 million for FY 2015. Public safety expenditures account for 59% of General Fund expenditures.

The City of San Leandro has 1.03 FTE sworn personnel per 1,000 population, which represents a slight decrease from 1.2 FTE in 2008. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>9</sup> There were 67.58 crimes per sworn FTE in 2015. The property crime clearance rate was 34.67% in 2015 and the violent crime clearance rate was 46.9%.<sup>10</sup>

The police station, constructed in the 1960s and in need of various technology upgrades, is in fair condition. The facility does not have sufficient space to meet current staffing needs, and plans and funding are in place to expand into an adjacent City-owned building.

### **14.2.3.4 Library**

The City of San Leandro provides library services within the City, with four locations—the Main Library, the Manor Branch, the Mulford-Marina Branch, and the South Branch. FY 2015 expenditures were \$10,899,495.

The City reported 6.2 items circulated per capita in 2015. The number of public access computers per 1,000 population was 1.25 in 2008 and 2015.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>11</sup> Select statistical data for the most recent year (FY 2014/2015) is provided in this MSR Update for comparative purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY2014/2015.

### **14.2.3.5 Lighting and Streets**

Lighting (traffic and street) in the City is provided and maintained by the City of San Leandro. City expenditures for light and signal maintenance were \$6,830 per street mile for FY 2008. The

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<sup>9</sup> National Sources of Law Enforcement Employment Data. April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

<sup>10</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

<sup>11</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lrs/librarystats.html>



City of San Leandro estimates FY 2015 expenditures for lighting at \$135,000 (lighting is not tracked separately from public works) which is approximately \$776 per street mile.

The City of San Leandro provides and maintains 174 street miles and approximately 33 Class 1 and 2 bike lane miles. FY 2015 expenditures for streets were \$3,629,589.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in the City of San Leandro was 58 (at risk) in 2009.<sup>12</sup> An "at risk" PCI (50-59) indicates deteriorated pavement requiring immediate attention, including rehabilitative work. The PCI decreased to 56 in 2015 and remains well below the target PCI of 75 (good) MTC has established.<sup>13</sup>

#### ***14.2.3.6 Parks and Recreation***

The City is the primary service provider for parks and recreation. FY 2008 expenditures for parks were \$16,192 per acre for maintenance. Total FY 2015 expenditures were \$6,654,663.

The City provides and maintains 4.33 park acres per 1,000 residents and approximately 8 miles of recreational trails. The City also provides two community centers, two aquatics centers, and two child care centers, in addition to a range of recreation programs. City park facilities range from new to fair condition.

Over the next 5 years, the City has prioritized deferred maintenance projects, including the reconstruction of two pools maintained (but not owned) by the City. The City also works with the East Bay Regional Park District to fund park improvements through the District's Measure WW funding program.

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. The City of San Leandro's level of service standard is 4.86 acres per 1,000 new residents.

#### ***14.2.3.7 Planning and Building***

The City of San Leandro Community Development Department provides planning and building services. FY 2015 expenditures were \$3,736,157.

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<sup>12</sup> 2008 data were not available

<sup>13</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

The City issued 1,619 residential permits in 2015, up slightly from 1,596 in 2008. The City issued 250 commercial building permits in 2015, down from 297 in 2008. Total building permit valuation in FY 2015 is estimated at \$10.4 billion, up from approximately \$8.9 billion in FY 2008. The adopted planning documents reported by the City are listed in **Attachment B**.

#### **14.2.3.8 Solid Waste**

Depending on location, solid waste services are provided to the City of San Leandro by either Alameda County Industries or Waste Management. Alameda County Industries transports solid waste collected from the City of San Leandro to Republic Services Vasco Road Landfill in Livermore; Waste Management transports solid waste to a nearby landfill in San Leandro. FY 2015 expenditures were \$70,311.

The City reported 0.88 ton of waste disposed per capita for FY 2015, and a total diversion rate of 72%. The FY 2015 per resident disposal rate was 4.8 pounds/resident/day.<sup>14</sup>

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

#### **14.2.3.9 Utilities and Broadband**

PG&E provides gas and electricity services to the City of San Leandro. The City coordinates with Pacific Gas & Electric regarding the location and condition of gas pipelines. San Leandro is a member of the recently formed East Bay Community Energy Authority.

As noted above, the City of San Leandro provides public broadband service through Lit San Leandro, a public-private partnership delivering fiber optic internet service to businesses, high-density residential projects, and public facilities. The bandwidth capacity currently offers upload and download speeds up to 10 gigabits per second.

XFINITY from Comcast, AT&T U-verse, and Sonic.net each offer internet access to city residents. These providers use a variety of wired technologies including cable and DSL. The City of San Leandro did not indicate concerns about the availability or reliability of high-speed internet services. The California Public Utilities Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report

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<sup>14</sup> Data for Alameda County Industries only. The City does not have ready access to data for Waste Management.

card for 2013. The City of San Leandro received a grade of C, which indicates that internet service providers meet the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.<sup>15</sup>

The City did not indicate concerns about the ability of utility service or private broadband providers to serve its existing or growing population.

#### **14.2.4 City Services Determinations**

##### ***14.2.4.1 Present and Planned Capacity of Facilities, Adequacy of Public Service***

As noted above, there are no DUCs within or contiguous to the City's SOI.

ACFD reports that average fire and emergency response times achieved compliance with the NFPA standard for 2015.

The City of San Leandro reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.

##### ***Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs***

As an indication of the need for infrastructure investment, the pavement condition index (PCI) for streets in the City of San Leandro was 56 (at risk) for 2015.<sup>16</sup> This is well below the target of 75 MTC has established. San Leandro is one of four cities in Alameda County which have "at risk" PCIs between 50 and 59.

When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

##### ***Consistency with Capital Improvement Plans***

The Capital Improvement Program (CIP) includes funding for replacement of roads, sanitary sewers, building components, and park components. The funding level varies from year to year, resulting in occasional shortfalls and a backlog of maintenance needs. The City of San Leandro has identified roads, libraries, and parks as its top three capital priorities.

##### ***Consistency with Local and Regional Land Use Plans and Policies***

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community

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<sup>15</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www. bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).

<sup>16</sup> MTC Vital Signs, June 2016: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

#### ***14.2.4.2 Status and Opportunities for Shared Facilities***

The sharing of municipal services and facilities involves centralizing functions and facilities. Municipalities will collaborate through joint-use and shared services agreements for the joint provision of public services and joint use of public facilities as a way to save resources.

##### ***Current Shared Services***

The City provides an array of municipal services, with the exception of fire and emergency response, solid waste, stormwater, utilities and broadband, vector control, wastewater, and water services. These services are provided via contract with Alameda County, public vendors, or private vendors. The City shares animal control services and facilities with Tri-County Shelter. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

##### ***Duplication of Existing or Planned Facilities***

This review did not identify any duplication of existing or planned facilities.

##### ***Availability of Excess Capacity***

No excess service or facility capacity was identified as part of this review.

#### **14.2.5 Financial Information**

This section provides an overview of the City's financial health and provides a context for assessing the City's financial ability to provide services.

Key FY 2015 financial information for City of San Leandro municipal operations is provided in the discussion below. The information in this section has been obtained from the audited 2015 Comprehensive Annual Financial Report (CAFR) and from City staff. For comparative purposes, FY 2008 CAFR and staff-provided financial information is also included where available.

##### ***14.2.5.1 Revenues and Expenditures***

A comparison of the revenues and expenditures for the City's governmental and proprietary funds is shown in **Table 14.6**.

**TABLE 14.6**  
**CITY OF SAN LEANDRO**  
**COMPARISON OF REVENUE AND EXPENDITURES – ALL CITY FUNDS**  
**FY 2008 AND FY 2015**

	FY 2008	FY 2015
Total Revenue	\$123,603,273	\$129,433,523
Total Expenditures	\$125,567,987	\$121,601,133
<b>Net Surplus/(Deficit)</b>	<b>(\$1,964,714)</b>	<b>\$7,832,390</b>

In FY 2015, total expenditures for the City of San Leandro exceeded \$121.6 million, which represents a decrease of approximately \$3.9 million from FY 2008.

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and expenditures for the General Fund are shown in **Table 14.7**. General Fund expenditures constituted approximately 69% (\$83.9 million) of the total expenditures.

**TABLE 14.7**  
**CITY OF SAN LEANDRO**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Property and Other Taxes	\$56,704,301	\$74,485,955
Licenses and Permitting	\$5,836,665	\$7,145,284
Service Charges	\$4,868,253	\$3,174,722
Interdepartmental Charges	\$1,799,108	\$2,250,266
Fines and Forfeitures	\$1,418,732	\$1,524,570
Intergovernmental	\$1,521,624	\$1,247,506
Use of Money and Property	\$2,505,626	\$1,164,676
Other	\$606,579	\$713,559
<b>Total Revenue</b>	<b>\$75,260,888</b>	<b>\$91,706,538</b>
Expenditures by Program		
General Government	\$44,062,516	\$48,991,182
Public Safety	\$11,036,811	\$11,720,994
Recreation and Culture	\$10,342,370	\$9,416,607
Engineering and Transportation	\$7,986,163	\$7,323,705
Community Development	\$3,424,379	\$4,164,877
Debt Service	\$544,394	\$2,316,379
<b>Total Expenditures</b>	<b>\$77,396,633</b>	<b>\$83,933,744</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$2,135,745)</b>	<b>\$7,772,794</b>

Total General Fund expenditures have increased by approximately \$6.5 million (8%) since FY 2008. Public safety services comprise the major expenditures (58% or approximately \$49 million) for the City's General Fund.

The major revenues to the City's General Fund are taxes (e.g., property, sales, utility users), which comprise approximately 82% of the fund's annual revenue stream. The primary source of revenue is sales tax, which in FY 2015 was above FY 2008 levels. **Table 14.8** provides a comparison of overall tax revenues.

**TABLE 14.8**  
**CITY OF SAN LEANDRO**  
**COMPARISON OF TAX REVENUES**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Sales Tax	\$22,251,900	\$32,948,155
Property Tax	\$26,200,221	\$18,898,038
Utility Users Tax	\$10,420,171	\$10,359,050
Franchise Fee	\$4,142,000	\$4,845,000
Property Transfer Tax	\$2,925,000	\$4,112,000
911 Communication Access Tax	\$2,309,000	\$2,974,000
Motor Vehicle License Fees	\$361,000	\$36,000
Other Taxes	\$602,000	\$734,000
Total tax revenue	\$69,211,292	\$74,906,243

City of San Leandro sales tax revenue has increased by approximately \$10.6 million (48%) since FY 2008. Unlike most cities in Alameda County, the City of San Leandro has experienced a 28% decrease in property tax revenue since FY 2008.

#### 14.2.5.2 Debt

**Table 14.9** summarizes the City's obligations, debt, and liabilities.

**TABLE 14.9**  
**CITY OF SAN LEANDRO**  
**COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES**  
**FY 2008 AND FY 2015**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$58,455,000	\$39,543,000
Ratio of Direct Debt <sup>1</sup> to Net Assessed Valuation	46%	0.40%
Ratio of Combined Debt <sup>2</sup> to Net Assessed Valuation	2.76%	3.70%
Unfunded Pension Liability	\$1,249,640,501	\$166,243,972

<sup>1</sup> General bonded debt

<sup>2</sup> Direct and overlapping debt

Standard and Poor's suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilized capital investment capacity. The City of San Leandro has reduced its general bonded debt by \$18.9 million since 2008 to approximately \$450 per capita. The ratio of direct debt to net assessed valuation has decreased substantially since 2008, and the ratio for combined debt has increased.

Unlike many cities in Alameda County, the City of San Leandro has seen a decrease in its reported unfunded pension liability since 2008. The City's unfunded pension liability<sup>17</sup> is approximately 181% of the general fund revenue for FY 2015 (i.e., 181% of general fund revenue would be needed to fully fund the existing pension liability if addressed all in one year). Although high, the current percentage is a substantial improvement over 2008 when the unfunded pension liability was 1,660% (over \$1 billion) of the general fund revenue.<sup>18</sup> The City indicates that it fully funds its annually required contributions and has established an irrevocable trust to help fund its other pension obligations.

#### ***14.2.5.3 Reserves***

The City's reserve policy is to maintain an unassigned general fund balance sufficient to provide for: a) Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy, b) contingencies for unforeseen operating or capital needs and c) cash flow requirements, at least 15% of General Fund operating expenditures (budgeted expenditures for the following year). Consequently, based on the General Fund's budgeted operating expenditures for 2015-16 the guideline requirement is approximately \$14 million. For FY 2015, the unassigned General Fund balance of \$19.1 million exceeds the 15% reserve requirement.

San Leandro's unassigned General Fund reserve level was \$19.1 million for FY 2015, up from \$15 million in FY 2008. The City does not maintain an Economic Uncertainty Fund separate from the General Fund Reserve; however, they do maintain one within the General Fund, with a FY 2015 balance of \$7,412,412, down from \$10,033,000 in 2008.

#### ***14.2.5.4 Fiscal Health Indicators***

Overall, the City of San Leandro appears to in fairly positive fiscal health, as shown by the General Fund fiscal indicators in **Table 14.10** and discussed below.

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<sup>17</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city's General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.

<sup>18</sup> The City noted that the 2008 amount seems unusually high, but is what the CalPERS Actuarial Valuations show.

**TABLE 14.10**  
**CITY OF SAN LEANDRO**  
**GENERAL FUND FISCAL INDICATORS**  
**FY 2008 AND FY 2015**

Indicator	FY 2008 Value	FY 2015 Value
Net Operating Deficit/Surplus	(\$5,900,000)	\$5,200,000
Liquidity Ratio <sup>1</sup>	5.18	1.54
Fund Balance as Percent of Expenditures <sup>2</sup>	48.2%	41.48%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures

Since FY 2008, the City has recovered from deficits and reported a surplus in their annual operating General Fund. The five-year average increased from a deficit of \$4.4 million in FY 2008 to a surplus of \$8.4 million in FY 2015.

The unassigned General Fund Balance was \$19.1 million of the total General Fund budgeted expenditures of \$83.9 million for FY 2015, or 22.7% of the reserve goal for unassigned fund balances. The City has committed this \$19.1 million for economic fluctuations and emergencies.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Standard and Poor's has assigned San Leandro a bond rating of AA- to AA (high quality).

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). In the case of the City of San Leandro, In the case of the City, total assets exceeded liabilities by \$188 million at the close of fiscal year 2014-15, a decrease of 41.4% due to the implementation of Governmental Accounting Standards Board (GASB) 68.<sup>19</sup> Of this amount, \$245 million was invested in capital assets. \$21.2 million is restricted for other purposes; leaving (\$86.3) million unrestricted. As of June 30, 2015, the City's total net position increased by \$7.8 million.

By far the largest portion of the City's net position (\$245.5 million) reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment), less any outstanding related debt used to acquire those assets. Because the City uses these capital assets to provide services to citizens, these assets are not available for future spending. \$21.2 million of the City's net position represents resources that are subject to external restriction on how they may be used. The remaining balance of (\$86.3) million represents unrestricted net position

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<sup>19</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports



which may be used to meet the City's ongoing obligations to citizens and creditors within the restrictions set forth by various funding sources.

#### **14.2.5.5      *Financial Reporting***

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end. The City of San Leandro published its CAFR for FY 2015 in a timely manner (within 6 months of the fiscal year end). The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

#### **14.2.6          *Financial Determinations***

##### **14.2.6.1      *Financial Ability of Agency to Provide Services***

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Overall, the City of San Leandro appears to have sufficient financial resources to continue providing services, as well as to accommodate infrastructure expansion, improvements, or replacement, as indicated below.

##### ***Operating General Fund deficit and surplus trends for the past five years***

The City of San Leandro reports a five-year trend of surpluses (\$8.4 million over 5 years) in their annual operating general fund.

##### ***Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing***

For FY 2015, approximately \$1.8 million was transferred from the General Fund to fund capital improvement projects.

##### ***Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year***

As of June 30, 2015 the unassigned general fund balance represented approximately 41.5% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

*Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year*

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a low liquidity ratio of 1.5, which indicates a lower degree of liquidity to cover its existing obligations in the short-term.

*Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end*

The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

**14.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

*14.2.7.1 Online Availability of City Governance Information*

The City of San Leandro website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

*14.2.7.2 Online Availability of City Planning Information*

The City of San Leandro website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

*14.2.7.3 Public Involvement*

The City of San Leandro website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

**14.2.8 Service Review Determinations Summary**

**Table 14.11** summarizes the service review determinations discussed throughout Section 14.2.

**TABLE 14.11  
CITY OF SAN LEANDRO  
SUMMARY OF SERVICE REVIEW DETERMINATIONS**

Determination Area and Criteria	Determination
<b><i>Growth and population projections for the affected area</i></b>	
Projected growth and demographic changes in and around the agency’s service areas based on ABAG population projections	ABAG projects that the City’s population will grow at an annual rate of 0.8% to a population of 99,200 in 2030. The City of San Leandro is also projected to experience a 1% annual growth rate in jobs between 2010 and 2030. Overall, the City’s planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	The City of San Leandro does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI within the next five years.
<b><i>Location and characteristics of Disadvantaged Unincorporated Communities within or contiguous to the SOI</i></b>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S. Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	There are no identified DUCs within or contiguous to the SOI for the City of San Leandro.
<b><i>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</i></b>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	The City of San Leandro reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future. As an indication of the need for infrastructure investment, the pavement condition index for streets in the City of San Leandro was 56 (at risk) for 2015. When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.
Consistency with capital improvement plans	The Capital Improvement Program (CIP) includes funding for replacement of roads, sanitary sewers, building components, and park components. The funding level varies from year to year, resulting in occasional shortfalls and a backlog of maintenance needs. The City of San Leandro has identified roads, libraries, and parks as its top three capital priorities.
Consistency with local and regional land use plans and policies	The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City’s General Plan. The City’s 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.
<b><i>Financial ability of the agency to provide services</i></b>	
Operating General Fund deficit and surplus trends for the past five years	The City of San Leandro reports a five-year trend of surpluses (\$8.4 million over 5 years) in their annual operating general fund.

Determination Area and Criteria	Determination
Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing	For FY 2015, approximately \$1.8 million was transferred from the General Fund to fund capital improvement projects.
Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year	As of June 30, 2015 the unassigned general fund balance represented approximately 41.5% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.
Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year	The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a low liquidity ratio of 1.5, which indicates a lower degree of liquidity to cover its existing obligations in the short-term.
Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end	The City issued its CAFR approximately 6 months after fiscal year end, which is considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.
<b><i>Status of and opportunities for shared facilities</i></b>	
Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas	The City provides an array of municipal services, with the exception of fire and emergency response, solid waste, stormwater, utilities and broadband, vector control, wastewater, and water services. These services are provided via contract with Alameda County or private vendors. The City shares animal control services and facilities with Tri-County Shelter. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency's website	The City of San Leandro website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency's website	The City of San Leandro website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.
Time and place for public to provide input prior to decision being made	The City of San Leandro website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 14.3 Sphere of Influence Review and Determinations

### 14.3.1 Sphere of Influence Recommendation

The SOI for the City of San Leandro is mostly coterminous with the municipal boundary, as shown in Figure 14.1. The City lies on the San Francisco Bay and is surrounded by the City of Oakland and the unincorporated communities of Ashland and San Lorenzo. The SOI for the City of Hayward also extends to San Leandro’s municipal boundary and SOI. Although outward growth is possible, it is not likely in the next five years.

This report recommends that Alameda LAFCo maintain and reaffirm the existing SOI for the City of San Leandro.

### 14.3.2 Sphere of Influence Determinations for the City of San Leandro

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 14.12**. These determinations are made as part of the review of the existing SOI and are based on the information in this City of San Leandro MSR profile.

**TABLE 14.12**  
**CITY OF SAN LEANDRO**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	The City of San Leandro plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including residential, commercial, industrial, mixed use, public/open space. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (2002).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for the City of San Leandro. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
<i>The present and probably future capacity of public facilities and services</i>	The present capacity of public facilities in the City of San Leandro appears adequate. The City of San Leandro anticipates it will continue to have adequate capacity during the next five years.
<i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i>	All communities of interest within the City’s municipal boundary are included within the SOI. Alameda LAFCo has not identified specific social or economic communities of interest relevant to the City of San Leandro.

Criteria	Determination
<p><i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i></p>	<p>The City of San Leandro does not provide water structural fire protection facilities and services within its SOI. Those facilities and services are provided under contract with East Bay Municipal Utility District and Alameda County, respectively. The City does provide sewer services. There are no DUCs within or contiguous to the SOI for the City and therefore no present or probable need for these facilities and services for DUCs.</p>

# Chapter 15

## City of Union City

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### 15.1 Agency Overview



The City of Union City, incorporated in 1959, covers an area of 18 square miles. The 2010 U.S. Census Bureau data shows the population as 69,516. The California Department of Finance estimates the January 1, 2016 population as 72,952. The City has a population density of approximately 4,053 persons per square mile.

The City of Union City is surrounded by the incorporated cities of Hayward, Fremont, and Pleasanton, as well as unincorporated Alameda County. Land uses in the City include a mix of residential, commercial, industrial, resource, and public institutional. The Sphere of Influence (SOI) for Union City is coterminous with the municipal boundary except for a small portion in the southwestern corner, as shown in **Figure 15.1**.

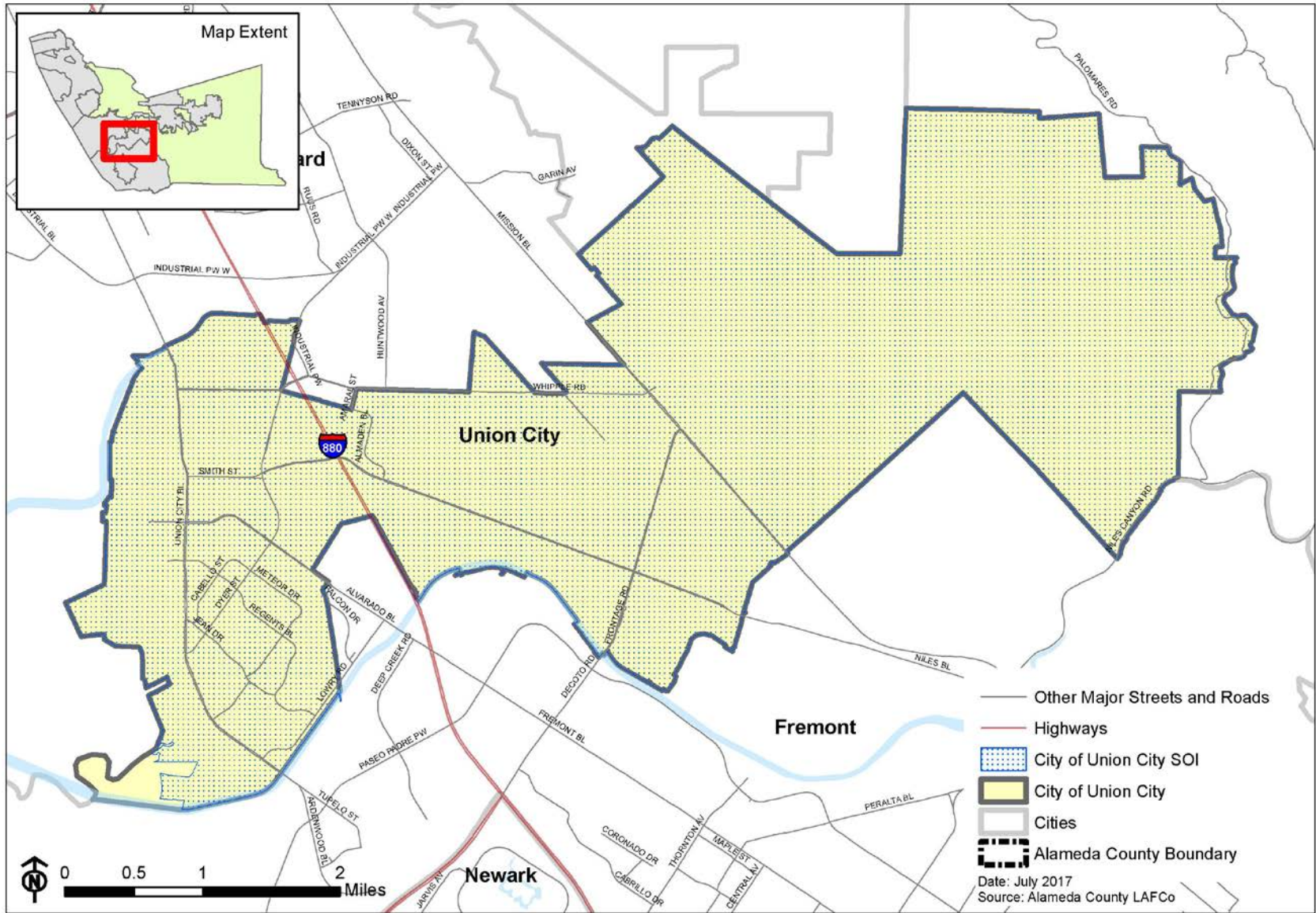
The municipal services considered in this review that are provided by Union City include: animal control, law enforcement, lighting, parks and recreation, planning/building, stormwater, and streets. Other services, such as fire protection and emergency response, and solid waste, are provided under contract with other service providers.

#### 15.1.1 City Staffing

Total City staffing for fiscal year (FY) 2015 included 326.54 full-time equivalent (FTE) employees.<sup>1</sup> **Table 15.1** shows the four service areas with the highest staffing levels.

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<sup>1</sup> FY 2015 data was the most current data available during development of this MSR Update. No substantial changes are anticipated between FYs 2015 and 2016, but cities have been provided the opportunity to report any such changes for incorporation into the MSR.



**Figure 15.1. City of Union City Municipal Boundary and Sphere of Influence**



**TABLE 15.1  
CITY OF UNION CITY  
HIGHEST STAFFING LEVELS BY SERVICE AREA**

Service Area	FY 2015 FTE
Police	118.55
Leisure	102.13
Public Works	56.81
Economic and Community Development	17.05

Source: City of Union City Comprehensive Annual Financial Report 2015.

Similar to other cities in Alameda County, the police function had the highest staffing level in Union City, with 118.55 FTE employees.

### 15.1.2 Form of Government

Union City is a general law city operating under the council-manager form of government. The City Council consists of five members, including the elected Mayor; members serve four-year terms.

### 15.1.3 Joint Powers Authorities

Union City is a member of the Joint Powers Authorities (JPAs) listed in **Table 15.2**.

**TABLE 15.2  
CITY OF UNION CITY  
JOINT POWERS AUTHORITY MEMBERSHIP**

Joint Powers Authority	Service
Bay Cities Joint Powers Insurance Agency	Liability Insurance for various cities
East Bay Community Energy Authority	East Bay Community Energy is a joint powers authority that aggregates electricity demand within participating Alameda County jurisdictions in order to procure more sustainable electricity for its customers.
Tri-Cities Waste Facility Financing Authority	Fremont landfill financing
Associated Community Action Program	Social services, Alameda County
Alameda County Transportation Commission	Governed by a 22-member commission comprised of elected officials from each of the 14 cities in Alameda County, five members of the Alameda County Board of Supervisors and elected representatives from AC Transit and BART.
East Bay Regional Communication System Authority	Emergency/public safety radio system
Alameda County Waste Management Authority	Solid waste, recycling, source reduction, reuse
ACWMA Energy Council	Energy conservation
Western Riverside Council of Governments	Provide wide variety of government services in the areas of transportation, environment, energy, economy, and health.
Bay Area Regional Interoperable	Unified (Bay Area) radio communication system for emergency and tactical use

Joint Powers Authority	Service
Communications System Authority	by public safety and other public agencies
Association of Bay Area Governments	Provides wide variety of regional planning services, energy procurement, pooled liability systems, financing and other government services
ABAG Finance Authority for Nonprofit Corporations	Provides capital financing for qualified nonprofit organizations

Source: City of Union City

### 15.1.4 Awards and Recognition

Union City has received two awards since the 2008 Municipal Service Review (MSR): “Turning Red Tape into Red Carpet: Real Estate, Redevelopment, and Reuse” from Silicon Valley Leadership Group and “Growing Smarter Together: Public Private Partnership” from the Association of Bay Area Governments (ABAG). Both awards were received in 2015.

## 15.2 Service Review Determinations

The purpose of this MSR is described in Chapter 1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) Act requires the Alameda Local Agency Formation Commission (LAFCo) to prepare a written statement of determination with respect to the six key areas discussed below. Using criteria described in Chapter 1 of this MSR Update, the following analysis informs the determinations which have been prepared for Union City.

### 15.2.1 Growth and Population Projections

According to the 2016 California Department of Finance estimates, Union City serves 72,952 residents within its municipal boundary.

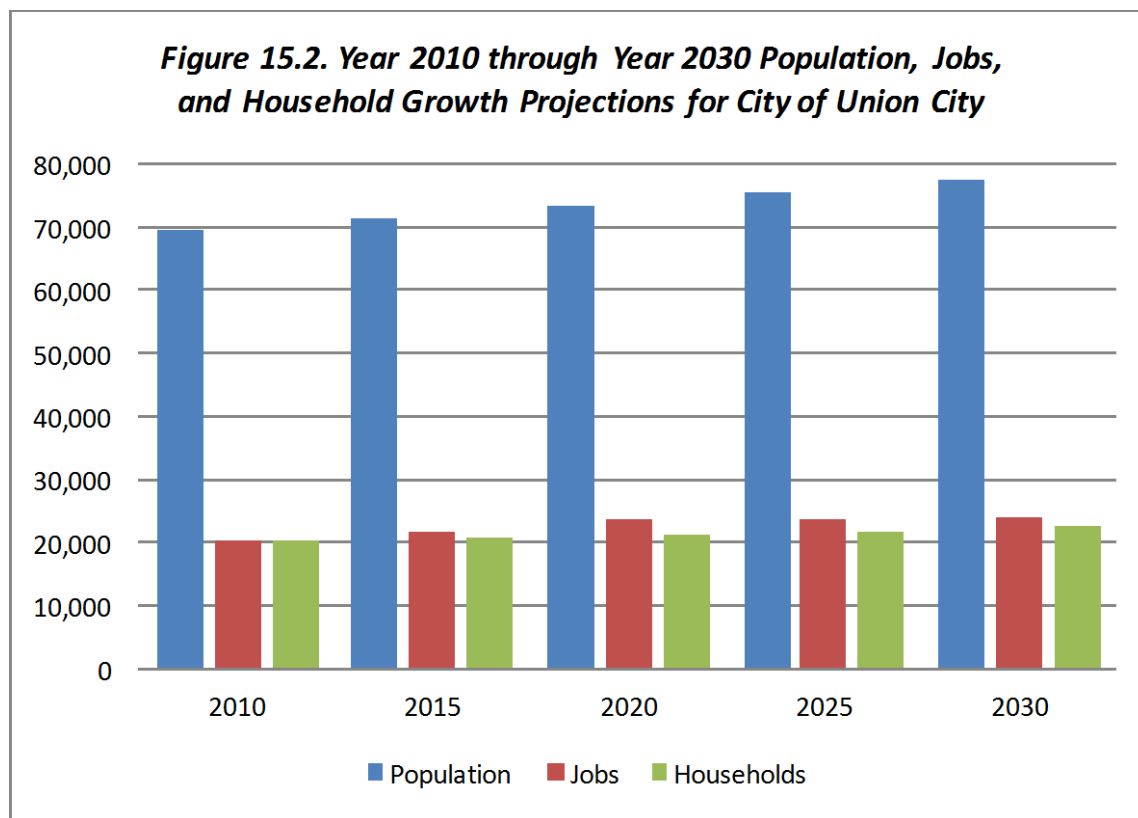
#### 15.2.1.1 Projected Growth and Demographic Changes

As required by California law, ABAG and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area, as described in Chapter 1, is the Sustainable Communities Strategy for the region.<sup>2</sup> Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes 30-year growth projections for population, housing, and jobs. Year 2010–2030 ABAG projections for Union City are depicted in **Figure 15.2**.

ABAG projects that the City's population will grow at an annual rate of 0.6% to a population of 77,600 in 2030. The City is projected to experience a 0.8% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.

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<sup>2</sup> This MSR Update uses data from the 2013 Plan Bay Area, which was the most current data available during the information gathering and document development processes for this MSR Update. In July 2017, ABAG and MTC adopted an updated Plan Bay Area 2040.



**Jobs and Housing**

According to ABAG Bay Area Census data<sup>3</sup> for 2010, Union City has 32,997 employed residents. The ABAG and MTC jobs forecast estimates 20,600 jobs in the City, with approximately 0.62 job for every employed resident. ABAG estimates that Union City has 21,258 housing units, which results in a job/housing balance of 0.97. The number of owner-occupied units in the City is greater than the number of renter-occupied housing units (**Table 15.3**), indicating that the rate of homeownership exceeds the rental household rate.

**TABLE 15.3  
CITY OF UNION CITY  
HOUSING OVERVIEW**

Housing Statistic	Number
Owner-occupied housing units	13,580
Renter-occupied housing units	6,853
Other <sup>1</sup>	825
Total existing housing units	21,258

<sup>3</sup> ABAG Bay Area Census data are derived from US Census data specific to the Bay Area.

Regional Housing Need Allocation by Income Category	2014-2022
Above moderate	417
Moderate	192
Low	180
Very low	317
<i>Total Regional Housing Need Allocation</i>	<i>1,106</i>

<sup>1</sup> Includes vacant and seasonal units

Sources: ABAG, Bay Area Census; ABAG, Regional Housing Need Plan

As noted in Chapter 1, California cities and counties are required to demonstrate in their housing element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.<sup>4</sup> Union City was assigned an RHNA of 1,106 units, as shown in Table 15.3.

The City adopted its General Plan in 2002 and its Housing Element in February 2015. The City has identified one potential PDA for infill development, including housing. The City's 2015–2023 Housing Element identifies adequate sites, anticipated to yield 567 units, which are appropriately zoned to address the affordable housing demand. Additionally, the City has zoned 287 planned units and 17 second units.<sup>5</sup> Under a rezoning program, the City will add capacity for another 515 units, bringing the total units available to 1,386. The total number of units anticipated meets and exceeds its 2014–2022 assigned RHNA. The City's Housing Element has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *Planning for an Aging Population*

The number of adults age 50 and older in Alameda County is projected to increase approximately 60% by 2030, growing from 449,754 in 2010 to 701,000, representing 38.7% of the total population in Alameda County, up from 29.8% in 2010.<sup>6</sup>

The City's General Plan contains policies specific to serving the senior population. Union City also provides the following programs serving an aging population at the Ruggieri Senior Center:

#### **Exercise**

- WALK THIS WAY – Walking Group
- ZUMBA Gold
- Spectrum Falls Prevention Class
- Functional Fitness

<sup>4</sup> ABAG, Regional Housing Need Plan, San Francisco Bay Area, 2014–2022.

<sup>5</sup> A second unit is a dwelling unit that is attached or detached from a larger dwelling unit on the same lot and that can be used for habitation (e.g., in-law apartments).

<sup>6</sup> Year 2010–2030 ABAG projections.

- Line Dancing Classes
- Ballroom and Social Dance (individuals and couples)
- Hula Exercise Class
- Sit and Fit classes
- Tai Chi
- Yoga
- Table tennis
- Bowling

#### **Enrichment**

- Brain Gym (memory care)
- Spanish language classes
- Painting and Silk Flower crafts classes
- Card and Board Game groups
- Computer Lab
- Ukulele Music group
- Meditation
- Woodworking club
- Pool Club

#### **Nutrition**

- Spectrum daily lunch program

#### **Visually Impaired**

- Low vision support group
- Low vision sewing group

#### **General Support**

- HICAP medical insurance assistance
- Travel training assistance / Paratransit
- Washington on Wheels Mobile Health Clinic (3rd Wed of every month)

#### ***15.2.1.2 Anticipated Growth Patterns***

Union City reported approximately 4.45 entitled residential acres and approximately 4.45 undeveloped entitled residential acres in FY 2015.

The City has identified numerous projects as part of the 2016 – 2021 projected growth, including planned projects totaling 132 dwelling units and 38,000 commercial square feet. These projects are either approved or in the approval process.

PDAs, as noted in Chapter 1, help form the implementing framework for Plan Bay Area. One PDA has been identified for Union City in Plan Bay Area. The Intermodal Station District PDA, characterized as a future city center, is within the municipal boundary along Decoto Road

between Mission Boulevard and Alvarado–Niles Road. The PDA includes approximately 105 acres around the Union City BART Station. The overall vision for this mixed-use corridor is to implement intensive commercial office development adjacent to the BART station and expand the City’s housing stock to include 1,600 additional units within ¼ mile of the BART station. The City consults with outside municipal service providers to ensure that the PDA will receive adequate services at buildout.

Priority Conservation Areas (PCAs), which are areas of regionally significant open space facing development pressure, also help form the implementing framework for Plan Bay Area. The Union City Hillside PCA is in the northeastern part of Union City adjacent to the Dry Creek Pioneer Regional Park and hillside areas in neighboring Fremont. The PCA, which consists of largely undeveloped ravines and open meadows on a series of steep slopes leading up to the Walpert Ridge, is an important link in the preferred alignment of the Bay Area Ridge Trail segment between the Vargas Plateau and Garin/Dry Creek Pioneer Regional Parks. The Union City Hillside PCA provides habitat for a number of threatened and endangered species; is an important wildlife corridor and potential future connection between regional park facilities; and is one of the few remaining pristine viewsheds in the area.<sup>7</sup>

Union City does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI within the next five years.

## 15.2.2 Boundaries, Islands, and Disadvantaged Unincorporated Communities

The City’s SOI is coterminous with its municipal boundary except for a small portion in the southwestern corner (see Figure 15.1). The City does not anticipate any changes to its SOI within the next five years and does not provide services to any areas outside its municipal boundaries or SOI. There are no unincorporated islands in Union City.

### 15.2.2.1 *Disadvantaged Unincorporated Communities*

There are no identified DUCs within or contiguous to the SOI for Union City and therefore, no DUCs are relevant to this analysis.

## 15.2.3 City Services Overview

As noted in Section 15.1 and as shown in **Table 15.4** municipal services for Union City are provided by City staff and under contract with other service providers. Municipal services considered in this update are discussed individually below. Stormwater, water, and wastewater

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<sup>7</sup> Alameda County Transportation Commission. Alameda County PDA Investment and Growth Strategy, March 2013.

services will be reviewed during a separate MSR process. For comparative purposes, FY 2008 information is also included where available.

**TABLE 15.4**  
**CITY OF UNION CITY**  
**MUNICIPAL SERVICES AND SERVICE PROVIDERS**

Service	Primary Service Provider	Non-city Service Provider
Animal Control	City of Union City	Tri-City Shelter
Fire and Emergency Response	—	Alameda County Fire Department
Law Enforcement	City of Union City	—
Library	—	Alameda County
Lighting	City of Union City	—
Parks and Recreation	City of Union City	—
Planning/Building	City of Union City	—
Solid Waste	—	Republic Services, Waste Management
Stormwater	City of Union City	Alameda County Flood Control District
Streets	City of Union City	—
Utilities and Broadband:		—
Electricity	—	PG&E
Gas	—	PG&E
Broadband	—	Comcast, AT&T, Sonic.net
Vector Control	—	Alameda County Vector Control Services District
Mosquito Control	—	Alameda County Mosquito Abatement District
Water	—	Alameda County Water District
Wastewater	—	Union Sanitary District

Source: City of Union City

The City has identified the following new or improved services for the years since the 2008 MSR update:

#### **New or Improved Services**

- CAREavan Program for homeless families: created by Union City's Community and Recreation Services Department to give homeless families a safe place to park their cars and sleep for the night. The program, which also offers access to facilities, laundry, showers, and meals, was developed in partnership with the Union City Kids' Zone, nonprofits, churches in May 2016 to help similar NHUSD families.
- Green Streets pilot programs (stormwater): a sustainable redevelopment project that proposes a system of green infrastructure elements that mimic the processes of natural systems.



- Food waste recycling program enhancements: outreach and education on green bin usage and encouraging food scrap recycling to single family, multi family, and businesses within Union City.
- Union City Police Department outreach programs (several): community events, presentations, coffee with cops, and more to connect with residents on what matters to the community.

No City services have been discontinued since the 2008 update.

Union City reports the following opportunities and challenges related to its provision of municipal services:

### **Opportunities**

- Attaining full accreditation for the Union City Police Department with the accompanying legal and financial benefits
- Completing essential economic development projects, including the Intermodal Station District, transitional and affordable housing developments to address displacement and homelessness, and stabilization and enhancement of existing retail centers
- Implementing policies to develop and regulate emerging technologies (e.g., home sharing, ride sharing, and autonomous vehicle networks, as well as cannabis regulation and development

### **Challenges**

- Budget deficits arising from retirement and retiree medical benefits program costs
- Completing essential economic development projects in an era of declining budget stability (the next 12-15 years)
- Maintaining staff morale and productivity in face of increasingly limited budgets

A summary of the City's municipal service level statistics for FY 2015 is provided in Table A.14 of **Attachment A**.

#### ***15.2.3.1 Animal Control, Vector Control***

Union City and Tri-City Shelter are the animal control service providers for the City, including stray animal control, investigations of animal abuse, and enforcement of leash laws. FY 2015 expenditures were \$177,806.66.

For 2015, 2.7 dog licenses were issued per 1,000 population, for a total of 197 licenses issued. The number of animals handled by Union City and Tri-City Shelter in 2015 was 1,858, up from 1,440 in 2008. Union City and Tri-City Shelter received 1,193 calls for service in 2015, down from 1,443 in 2008.

Throughout Alameda County, and including Union City, vector control services are provided by Alameda County Vector Control Services District, a Division of the Alameda County Environmental Health Department. The mission of the Vector Control Services District is to

prevent the spread of vector-borne diseases, injury, and discomfort to the residents of the District by controlling insects, rodents, and other vectors and eliminating causal environmental conditions through education, and integrated pest management practices.

The Alameda County Mosquito Abatement District protects public health by carrying out a program of mosquito abatement which is responsive to the public, cost effective, environmentally safe, and consistent with land use planning or zoning. The Alameda County Mosquito Abatement District provides mosquito control services to residents of Alameda County, including Union City.

### ***15.2.3.2 Fire and Emergency Response***

The City contracts with Alameda County Fire Department (ACFD) for fire protection and first-responder paramedic services. The ACFD staffs four stations that serve Union City.

There were 4,814 calls for fire and emergency response service in 2015. ACFD reports that average fire and emergency response times achieved over 90% compliance for 2015. Average response time was 4:21 in 2008. The National Fire Protection Association (NFPA) standard requires fire and emergency response providers to arrive at the scene within 5 minutes of a 911 call 90 percent of the time.<sup>8</sup>

Fire stations are in reasonable condition overall, with minor deferred maintenance projects planned (e.g., replacement of an emergency generator and an Americans with Disabilities Act-compliant bathroom remodel). Fire equipment and apparatus meet industry standards, with one apparatus due for replacement.

Public safety expenditures, which include fire and emergency response, were approximately \$32 million for FY 2015.

### ***15.2.3.3 Law Enforcement***

Union City provides law enforcement and dispatch services. Public safety expenditures, which include law enforcement, were approximately \$32 million for FY 2015. Public safety expenditures account for approximately 72% of General Fund expenditures.

Union City has 1.0 FTE sworn personnel per 1,000 population, which represents a slight decrease from 1.1 FTE in 2008. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.<sup>9</sup> There was a drop in crimes per sworn FTE from 34 in 2008 to 26 in 2015. The

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<sup>8</sup> NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. 2016 edition.

<sup>9</sup> National Sources of Law Enforcement Employment Data. April 2016.  
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

property crime clearance rate (a measure of crimes solved) was up to 18% in 2015 from 13% in 2008, while the violent crime clearance rate was down slightly to 32% in 2015 from 33% in 2008.<sup>10</sup>

Police stations and equipment are in operable condition.

#### ***15.2.3.4 Library***

Union City does not provide library services; instead, the Alameda County library system provides library services, with one location in the City. FY 2015 expenditures for library service were \$282,136. Circulation data were not provided.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.<sup>11</sup> Select statistical data for the most recent year (FY 2014/2015) is provided in this MSR Update for informational purposes. The state averaged 5.88 library visits per capita, which represents a slight downward trend over the past 5 years. Average circulation was 7.6 per capita and 10.8 per borrower. Average public access computer use per 1,000 population was 948.83. Public libraries spent an average of \$49.89 per capita in FY2014/2015.

#### ***15.2.3.5 Lighting and Streets***

Lighting (street and traffic) is provided and maintained by the City's Public Works Department. City expenditures for light and signal maintenance were \$4,504 per street mile for FY 2008. Total FY 2015 expenditures were \$501,813 or \$3,663 per street mile.

Union City provides and maintains approximately 137 street miles and 20 Class 1 and 2 bike lane miles. FY 2015 expenditures for streets were \$1,910,900.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in Union City was 76 (good) in 2009.<sup>12</sup> Pavement in the good (70-79) range requires mostly preventive maintenance and shows only low levels of distress. The PCI increased to 81 (very good to excellent) in 2015, which is above the target PCI of 75 (good) MTC has

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<sup>10</sup> Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

<sup>11</sup> California State Library, Library Statistics. <http://www.library.ca.gov/lids/librarystats.html>

<sup>12</sup> 2008 data were not available

established.<sup>13</sup> Pavement in the very good to excellent range (80-100) is newly reconstructed or resurfaced with few signs of distress.

### ***15.2.3.6 Parks and Recreation***

The City is the primary service provider for parks and recreation. FY 2015 expenditures for parks and recreation facilities were approximately \$4 million, up from approximately \$3 million in 2008.

The City provides and maintains 2.07 park acres per 1,000 residents, 1.1 recreation centers per 20,000 residents, and 12 miles of recreation trails.

The City is currently developing the Park and Recreation Master Plan Update, setting public priorities for park/recreation facilities and programs through 2040.

The City works collaboratively with the East Bay Regional Park District to fund park improvements through the Measure WW funding program. Through this program, the City has added restrooms at three park sites and renovated the Kennedy Center Park.

The Quimby Act<sup>14</sup> allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. Union City's level of service standard is 3 acres per 1,000 new residents.

### ***15.2.3.7 Planning and Building***

The Union City Economic and Community Development Department provides planning and building services. The Planning Division regulates land use and development in the City, processing development applications, disseminating land use information to the public, and implementing long-range planning. The Building Division provides development services such as plan check, permit issuance, inspections, property research, and neighborhood preservation. FY 2015 expenditures were \$1,240,353.

The City issued 1,191 residential and 254 commercial building permits during 2015. Total building permit valuation in FY 2015 is estimated at \$80.4 million, up from approximately \$74.9 million in FY 2008. The adopted planning documents reported by the City are listed in **Attachment B**.

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<sup>13</sup> MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

<sup>14</sup> The goal of the 1975 Quimby Act, as amended, was to require developers to help mitigate the impacts of property improvements.

### **15.2.3.8 Solid Waste**

Solid waste services are provided to Union City by Republic Services and Waste Management. These companies transport solid waste collected from the City to the Fremont Recycling and Transfer Station in Fremont. Union City FY 2015 expenditures for solid waste services were approximately \$17.4 million, down from approximately \$16.3 million in FY 2008.

The City reported 0.54 ton of waste disposed per capita for FY 2014, and a total diversion rate of 78%. The FY 2014 per resident disposal rate was 9.9 pounds/resident/day.<sup>15</sup>

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

### **15.2.3.9 Utilities and Broadband**

Pacific Gas & Electric provides gas and electricity services to Union City. The City does not coordinate with Pacific Gas & Electric regarding the location and condition of gas pipelines as the utility has control of their gas pipelines pursuant to the franchise agreement between Union City and Pacific Gas & Electric. Union City is a member of the recently formed East Bay Community Energy Authority.

The City does not provide public broadband service. XFINITY from Comcast, AT&T U-verse, and Sonic.net each offer internet access to the city. These providers use a variety of wired technologies including cable and DSL. Union City did not indicate concerns about the availability or reliability of high-speed internet services. The California Public Utilities Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report card for 2013. Union City received a grade of C-, which indicates that internet service providers meet the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.<sup>16</sup>

The City did not indicate concerns about the ability of utility service or broadband providers to serve its existing or growing population.

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<sup>15</sup> FY 2015 data not available at this time.

<sup>16</sup> East Bay Broadband Consortium, East Bay Broadband Report Card. [www. bit.ly/broadbandreportcard](http://www.bit.ly/broadbandreportcard).

## 15.2.4 City Services Determinations

### *15.2.4.1 Present and Planned Capacity of Facilities, Adequacy of Public Service*

As noted above, there are no DUCs within or contiguous to the City's SOI.

ACFD reports that average fire and emergency response times achieved compliance with the NFPA standard for 2015.

Union City reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.

#### *Capacity and Condition of Infrastructure and Ability to Meet Service-level Needs*

When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.

#### *Consistency with Capital Improvement Plans*

The City's capital improvement plan includes a facility and infrastructure assessment and replacement program. The City reports that its top capital priorities vary from year to year.

#### *Consistency with Local and Regional Land Use Plans and Policies*

The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

### *15.2.4.2 Status and Opportunities for Shared Facilities*

The sharing of municipal services and facilities involves centralizing functions and facilities. Municipalities will collaborate through joint-use and shared services agreements for the joint provision of public services and joint use of public facilities as a way to save resources.

#### *Current Shared Services*

The City provides an array of municipal services, with the exception of fire, library, solid waste, stormwater, utilities, vector control, wastewater, and water services. These services are provided via contract with Alameda County, public vendors, or private vendors. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

#### *Duplication of Existing or Planned Facilities*

This review did not identify any duplication of existing or planned facilities.

*Availability of Excess Capacity*

No excess service or facility capacity was identified as part of this review.

**15.2.5 Financial Information**

This section provides an overview of the City’s financial health and provides a context for assessing the City’s financial ability to provide services.

Key FY 2015 financial information for Union City municipal operations is discussed below. The information in this section has been obtained from the audited 2015 Comprehensive Annual Financial Report (CAFR) and from City staff. For comparative purposes, FY 2008 CAFR and staff-provided financial information is also included where available.

**15.2.5.1 Revenues and Expenditures**

A comparison of the revenues and expenditures for the City’s governmental and proprietary funds is shown in **Table 15.5**.

**TABLE 15.5  
CITY OF UNION CITY  
COMPARISON OF REVENUE AND EXPENDITURES  
FY 2008 AND FY 2015**

	<b>FY 2008</b>	<b>FY 2015</b>
Total Revenue	\$98,038,634	\$93,081,466
Total Expenditures	\$73,012,189	\$79,850,779
<b>Net Surplus/(Deficit)</b>	<b>\$25,027,445</b>	<b>\$13,230,687</b>

In FY 2015, total expenditures for the City exceeded \$79.8 million, which represents an increase of approximately \$6.8 million from FY 2008. The decrease in revenue is due to the State’s changes to redevelopment.

Municipal services are funded via the General Fund, which is the primary operating fund for the City. Revenues and expenditures for the General Fund are shown in **Table 15.6**. General Fund expenditures constituted approximately 60% (\$48.5 million) of the total expenditures.

**TABLE 15.6**  
**CITY OF UNION CITY**  
**COMPARISON OF REVENUE AND EXPENDITURES – GENERAL FUND**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Revenue by Source		
Taxes and Special Assessments	\$30,153,769	\$40,424,438
Charges for Services	\$2,623,115	\$6,041,796
Licenses, Permits and Fees	\$1,944,094	\$2,070,030
Intergovernmental	\$1,596,980	\$1,385,531
Other	\$696,072	\$893,541
Fines and Forfeitures	\$997,566	\$565,028
Investment Income	\$800,834	\$199,786
<b>Total Revenue</b>	<b>\$38,812,430</b>	<b>\$51,580,150</b>
Expenditures by Program		
Public Safety	\$24,653,243	\$27,795,258
General Government	\$5,799,875	\$7,797,774
Public Works	—	\$4,412,630
Recreation and Culture	\$2,540,455	\$4,353,228
Economic and Community Development	—	\$3,370,951
Capital Outlay	\$125,432	\$639,402
Debt Services	\$129,306	\$189,727
Planning and Public Works	\$5,374,181	—
<b>Total Expenditures</b>	<b>\$38,622,489</b>	<b>\$48,558,970</b>
<b>Net Surplus/(Deficit)</b>	<b>\$189,941</b>	<b>\$3,021,180</b>

Total General Fund expenditures have increased by approximately \$9.9 million (25%) since FY 2008. Public safety services comprise the major expenditures (57%) for the City's General Fund.

The major revenues to the City's General Fund are taxes (property, sales, and transient occupancy), which comprise approximately 64% of the fund's annual revenue stream. The primary source of revenue is property tax, which in FY 2015 was above FY 2008 levels. **Table 15.7** provides a comparison of General Fund tax revenues.

**TABLE 15.7**  
**CITY OF UNION CITY**  
**COMPARISON OF TAX REVENUES**  
**FY 2008 AND FY 2015**

Type	FY 2008	FY 2015
Property Tax	\$18,048,673	\$20,179,166
Sales Tax	\$6,748,966	\$11,051,000
Transient Occupancy Tax	—	\$ 2,085,245



The City’s property tax revenue has increased by approximately \$2.1 million (12%) since FY 2008. Sales tax revenue has increased by \$4.3 million (64%) in the same period. This can be somewhat attributed to the 2010 voter-approved Measure AA, which increased City sales tax by 0.5%.

**15.2.5.2 Debt**

Union City has several debt obligations for capital investments and employee pension obligations. These long term obligations are addressed in the City budget through their annual repayment or set-aside amounts. **Table 15.8** summarizes the City’s obligations, debt, and liabilities.

**TABLE 15.8  
CITY OF UNION CITY  
COMPARISON OF OBLIGATIONS, DEBTS, AND LIABILITIES  
FY 2008 AND FY 2015**

Obligation/Debt/Liability	FY 2008	FY 2015
General Bonded Debt	\$160,938,000	\$24,547,973
Ratio of Direct Debt <sup>1</sup> to Net Assessed Valuation	3.0%	0%
Ratio of Combined Debt <sup>2</sup> to Net Assessed Valuation	2.0%	0%
Unfunded Pension Liability	\$0	\$44,794,715

<sup>1</sup> General bonded debt

<sup>2</sup> Direct and overlapping debt

Standard and Poor’s suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilization of capacity. Union City has substantially reduced its general bonded debt since 2008 to approximately \$337 per capita through pay-off of earlier investments in capital facilities. The ratio of direct debt to net assessed valuation has decreased to zero, as has the ratio for combined debt, since 2008.

Similar to many cities, Union City has seen an increase in its reported unfunded pension liability since 2008, partially due to federal Governmental Accounting Standards Board (GASB) Rule 68.<sup>17</sup> The City’s unfunded pension liability<sup>18</sup> is approximately 84% of the general fund revenue for FY 2015. Union City has worked to address pension funding by setting aside the required Annual Required Contributions amount. The City adopted an additional policy to set aside 50% of General Fund operating surplus annually to pay off pension related unfunded liabilities. The City has also considered policies and options to reduce pension costs.

<sup>17</sup> GASB Statement No. 68 requires local governments to include pension liabilities in their annual financial reports.

<sup>18</sup> Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When a city’s General Fund revenue is insufficient to cover pension expenses, the City may pass that expense on to taxpayers.

### 15.2.5.3 Reserves

The City's reserve policy is to maintain an unassigned general fund balance equal to 0.5% of the annual expenditures of the General Fund. For FY 2015, the unassigned General Fund balance of \$8.4 million represents approximately 17% of the \$48.6 million general fund expenditures, exceeding the 0.5% reserve policy. Union City's unassigned General Fund reserve levels have nearly doubled since FY 2008 (**Table 15.9**).

Additionally, the City's policy is to maintain an assigned fund balance amount in the General Fund of not less than 20% of the annual operating expenditures to be used for economic uncertainties such as unanticipated revenue shortfalls, unexpected expenditure increases or catastrophic impacts to the City. The Economic Uncertainty Reserve Fund balance of \$3.4 million is approximately 7% of FY 2015 general fund expenditures, which falls short of the 20% goal.

**TABLE 15.9**  
CITY OF UNION CITY  
COMPARISON OF RESERVES  
FY 2008 AND FY 2015

	FY 2008	FY 2015
Unassigned General Fund Reserve Level	\$4,457,218	\$8,458,573
Economic Uncertainty Reserve Fund <sup>1</sup>	—	\$3,453,206

<sup>1</sup> Separate from General Fund Reserve

### 15.2.5.4 Fiscal Health Indicators

Overall, Union City appears to be in positive fiscal health, as shown by the General Fund fiscal indicators in **Table 15.10**.

**TABLE 15.10**  
CITY OF UNION CITY  
GENERAL FUND FISCAL INDICATORS  
FY 2008 AND FY 2015

Indicator	FY 2008 Value	FY 2015 Value
Net Operating Deficit/Surplus	\$189,941	\$8,501,129
Liquidity Ratio <sup>1</sup>	3.2	11.2
Fund Balance as Percent of Expenditures <sup>2</sup>	25%	48%

<sup>1</sup> Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the City has to fund its liabilities; the higher the number, the greater the degree of liquidity.

<sup>2</sup> Unreserved General Fund Reserves as a percent of annual operating expenditures

Since FY 2008, the City has reported a surplus in their annual operating General Fund.

For FY 2015, the unassigned General Fund balance was approximately 19% of the general fund expenditures, exceeding the reserve policy goal. The Economic Uncertainty Reserve Fund

balance was approximately 8% of FY 2015 general fund expenditures, falling short of the 20% goal.

Other fiscal health indicators include municipal bond ratings and net position. Municipal bonds are rated by one of three major ratings agencies, which assess the credit risk based on the economy, debt structure, financial condition, demographic factors, and management practices of the governing body and administration. Standard and Poor's has assigned Union City a bond rating of AA- to AA+ (high quality).

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating). In the case of the City's governmental activities, total assets and deferred outflows exceeded total liabilities and deferred inflows by \$182,852,000.

The largest portion of the City's net assets (91%) reflects its investment in capital assets, net of any related outstanding debt used to acquire those assets. The City's assets include land, buildings, machinery and equipment as well as construction in progress, and are used to provide services to the community. Capital assets increased by 5% from last year largely due to infrastructure and parks improvement projects. Net position is classified as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents capital assets net of accumulated depreciation. Capital assets are used to provide services to citizens and are therefore not available for future spending.

#### ***15.2.5.5 Financial Reporting***

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end. The City of Union City CAFR for FY 2015 was published in February 2016, which is not within 6 months of the fiscal year end. The CAFR was audited by an independent certified public accountant, which issued an unqualified opinion.

### **15.2.6 Financial Determinations**

#### ***15.2.6.1 Financial Ability of Agency to Provide Services***

The City's five-year capital improvement plan serves as the basis for the budgets in the capital improvement funds. Appropriations for Capital Improvement funds are adopted at the same time as the operating budget. These appropriations are made in the year the project is scheduled to commence and are effective for the life of the project. The Capital Improvement Fund accounts for activities that are financed through grants and contributions from other agencies. Since grant funds and contributions from other agencies are received on a reimbursement basis, this fund carries a deficit fund balance. The deficit increased by 38% or \$2,155,000 from last fiscal year. Revenues increased by 94% of \$5,096,000 over last fiscal year and expenditures increased by 72% or \$5,302,184. The increase in revenues is attributed to the

reimbursements received during the year. The increase in expenditures is due to new infrastructure projects undertaken during the year and continuing work on the Intermodal Phase 2-Station project.

As with other cities in Alameda County, rising pension costs are expected to continue to reduce funding for other priorities.

Overall, Union City appears to have sufficient financial resources to continue providing services, as well as to accommodate infrastructure expansion, improvements, or replacement, as indicated below.

***Operating General Fund deficit and surplus trends for the past five years***

Union City reports a five-year trend of surpluses in their annual operating general fund. The five-year average increased from \$7,787,879 in FY 2008 to \$11,661,893 in FY 2015. The City Council has adopted a policy that 50% of General Fund operating surplus will be set aside to pay off pension-related unfunded liabilities.

***Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing***

For FY 2015, there were no transfers to other funds from the General Fund reserves.

***Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year***

As of June 30, 2015 the unassigned general fund balance represented approximately 48% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.

***Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year***

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 11.2, which indicates the City has the means to cover its existing obligations in the short-term.

***Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end***

The City issued its CAFR approximately 9 months after fiscal year end, which is not considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

## 15.2.7 Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

### 15.2.7.1 Online Availability of City Governance Information

The Union City website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.

### 15.2.7.2 Online Availability of City Planning Information

The Union City website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.

### 15.2.7.3 Public Involvement

The Union City website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 15.2.8 Service Review Determinations Summary

**Table 15.11** summarizes the service review determinations discussed throughout Section 15.2.

TABLE 15.11  
UNION CITY OF ALAMEDA  
SUMMARY OF SERVICE REVIEW DETERMINATIONS

Determination Area and Criteria	Determination
<i>Growth and population projections for the affected area</i>	
Projected growth and demographic changes in and around the agency's service areas based on ABAG population projections	ABAG projects that the City's population will grow at an annual rate of 0.6% to a population of 77,600 in 2030. The City is projected to experience a 0.8% annual growth rate in jobs between 2010 and 2030. Overall, the City's planning is expected to accommodate the growth projected by ABAG.
Anticipated growth patterns based on Plan Bay Area and agency general plans	Union City does not anticipate that current or projected growth patterns will expand beyond its existing municipal boundary and SOI within the next five years.
<i>Location and characteristics of Disadvantaged Unincorporated Communities within or contiguous to the SOI</i>	
Pursuant to GC 56033.5, a disadvantaged unincorporated community (DUC) is a community with an annual median household income that is less than 80% of the statewide annual median household income (i.e., less than \$48,875 per U.S.	There are no identified DUCs within or contiguous to the SOI for Union City.

Determination Area and Criteria	Determination
Census Bureau, 2009-2013 Five-year American Community Survey) and where there reside 12 or more registered voters.	
<b><i>Present and planned capacity of public facilities and adequacy of public service, including infrastructure needs and deficiencies</i></b>	
Capacity and condition of existing infrastructure and its ability to meet service-level needs based on anticipated population growth	<p>Union City reports that it adequately serves all areas within its municipal boundary and SOI and anticipates it will continue to do so in the foreseeable future.</p> <p>When accounting for the projected growth and population increases over the next five years, as well as the identified challenges related to its provision of municipal services, the City does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs.</p>
Consistency with capital improvement plans	The City's capital improvement plan includes a facility and infrastructure assessment and replacement program. The City reports that its top capital priorities vary from year to year.
Consistency with local and regional land use plans and policies	The City is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the City's General Plan. The City's 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.
<b><i>Financial ability of the agency to provide services</i></b>	
Operating General Fund deficit and surplus trends for the past five years	Union City reports a five-year trend of surpluses in their annual operating general fund. The five-year average increased from \$7,787,879 in FY 2008 to \$11,661,893 in FY 2015. The City Council has adopted a policy that 50% of General Fund operating surplus will be set aside to pay off pension-related unfunded liabilities.
Balanced General Fund budgets using one-time revenues, deferred expenditures or borrowing	For FY 2015, there were no transfers to other funds from the General Fund reserves.
Unreserved General Fund reserves as a percent of operating expenditures for most recent fiscal year	As of June 30, 2015 the unassigned general fund balance represented approximately 48% of operating expenditures. The City's fund balance as percent of expenditures exceeds the 17% minimum general fund reserve level at which a city would have the ability to maintain an acceptable level of service provision, to enact changes to maintain services, and to avoid bankruptcy potential.
Liquidity as measured when comparing cash and short-term investments over current liabilities for most recent fiscal year	The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The City reported a liquidity ratio of 11.2, which indicates the City has the means to cover its existing obligations in the short-term.
Timeliness and accuracy of financial reporting by ensuring that the State Controller's Financial Transactions Report was filed on a timely basis and that the Comprehensive Annual Financial Report (CAFR) for most recent fiscal year received a clean opinion and was issued within six months of fiscal year end	The City issued its CAFR approximately 9 months after fiscal year end, which is not considered timely. The CAFR was audited by an independent certified public accountant and received a clean opinion.

Determination Area and Criteria	Determination
<b><i>Status of and opportunities for shared facilities</i></b>	
Current shared services and activities with other service providers, including shared facilities and staff, in each of the examined service areas	The City provides an array of municipal services, with the exception of fire, library, solid waste, stormwater, utilities, vector control, wastewater, and water services. These services are provided via contract with Alameda County or private vendors. The City does not share other facilities or services. No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.
Duplication of existing or planned facilities of other service providers	This review did not identify any duplication of existing or planned facilities.
Availability of excess capacity to serve customers of other agencies	No excess service or facility capacity was identified as part of this review.
<b><i>Accountability for community service needs, including governmental structure and operational efficiencies</i></b>	
Availability of agendas, budget and financial information on the agency's website	The Union City website provides public access to the agendas and minutes for the City Council and its various boards and commissions; the City's biennial budget; and the City's annual CAFR. The City therefore adequately provides accountability with regard to governance and municipal operations.
Availability of the general plan and various elements on the agency's website	The Union City website provides public access to the City's general plan as well as various development plans and projects. The City therefore adequately provides accountability with regard to municipal and land use planning.
Time and place for public to provide input prior to decision being made	The Union City website provides public access to public hearing notices, including the time and place at which City residents may provide input, as well as other opportunities for public involvement in the City decision-making process. The City therefore adequately provides accountability with regard to citizen participation.

## 15.3 Sphere of Influence Review and Determinations

### 15.3.1 Sphere of Influence Recommendation

The SOI for Union City is coterminous with the municipal boundary (see Figure 15.1). The City is surrounded by the incorporated cities of Hayward, Fremont, and Pleasanton, as well as unincorporated Alameda County.

This report recommends that Alameda LAFCo maintain and reaffirm the existing SOI for Union City.

### 15.3.2 Sphere of Influence Determinations for the City of Union City

As described in Chapter 1, Government Code §56425(e) requires Alameda LAFCo to prepare a written statement of determination regarding the factors in **Table 15.12**. These determinations are made as part of the review of the existing SOI and are based on the information in this Union City MSR profile.

**TABLE 15.12**  
**CITY OF UNION CITY**  
**SPHERE OF INFLUENCE DETERMINATIONS**

Criteria	Determination
<i>The present and planned land uses (including agricultural and open-space lands)</i>	Union City plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses, including residential, commercial, industrial, resource, and public institutional. Present and planned land uses are adequate for existing residents as well as future growth, as demonstrated in the General Plan (2002).
<i>The present and probable need for public facilities and services</i>	There are no anticipated changes in the type of public services and facilities required within the SOI for Union City. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
<i>The present and probable future capacity of public facilities and services</i>	The present capacity of public facilities in Union City appears adequate. Union City anticipates it will continue to have adequate capacity during the next five years.
<i>The existence of any social or economic communities of interest if the commission determines that they are relevant to the agency</i>	All communities of interest within the City's municipal boundary are included within the SOI. Alameda LAFCo has not identified specific social or economic communities of interest relevant to Union City.



<p><b><i>For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence</i></b></p>	<p>Union City does not provide water or structural fire protection facilities and services within its SOI. Those facilities and services are provided under contract with Alameda County. The City does provide sewer services. There are no DUCs within or contiguous to the SOI for the City and therefore no present or probable need for these facilities and services for DUCs.</p>
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# Chapter 16

## Acronyms, Glossary, and Bibliography

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### 16.1 Acronyms

ABAG	Association of Bay Area Governments
ACFD	Alameda County Fire Department
CAFR	comprehensive annual financial report
CalPERS	California Public Employees' Retirement System
CEQA	California Environmental Quality Act
CERT	Community Emergency Response Team
CIP	Capital Improvement Program
CKH Act	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CPUC	California Public Utilities Commission
DUC	disadvantaged unincorporated community
EBMUD	East Bay Municipal Utility District
EBRPD	East Bay Regional Park District
FTE	full-time equivalent
FY	fiscal year
GASB	Governmental Accounting Standards Board
GHG	greenhouse gas
JPA	Joint Powers Authority
LAFCO	Local Agency Formation Commission
LAVTA	Livermore Amador Valley Transit Authority
LCPFA	Livermore Capital Projects Financing Authority

Mbps	megabits per second
Measure D	Save Agriculture and Open Space Initiative
MRTIP	Medical Return Trip Improvement Program
MSR	municipal service review
MTC	Metropolitan Transportation Commission
NFPA	National Fire Protection Association
NPDES	National Pollutant Discharge Elimination System
PCA	priority conservation area
PCI	pavement condition index
PDA	priority development area
PG&E	Pacific Gas & Electric
PTCWD	Pleasanton Township County Water District
RHNA	regional housing need allocation
SOI	Sphere of Influence
TRWG	Tri-Valley Regional Rail Working Group
TVTC	Tri-Valley Transportation Council

## 16.2 Glossary

**Affordable housing:** An affordable unit is one which a household at the defined income threshold can rent without paying more than 30% of its income on housing and utility costs. A unit is affordable and available if that unit is both affordable and vacant, or is currently occupied by a household at or below the defined income threshold.

**Annexation:** The inclusion, attachment, or addition of territory to a city or district.

**Assigned fund balance:** The amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed.

**Capital Improvement Plan:** A multi-year financial plan containing appropriations for major construction projects and other fixed assets.

**Charter city:** Organizational form of certain California cities, including Alameda, Albany, Berkeley, Emeryville, Hayward, Oakland, Piedmont, and San Leandro. Areas in which a charter city has greater control over its own affairs than a general law city include, for example, the conduct of municipal elections, procedures for initiatives, referendum and recall, procedures for adopting ordinances, bidding by public works contracts, making charitable gifts, organizational structure of city government, and regulations and government of the police force.

**Class 1 bike lane:** Provides a right-of-way completely separated from streets for the exclusive use of bicycles and pedestrians with a limited number of cross streets and driveways. These paths are often called mixed-use paths.

**Class 2 bike lane:** Provides striped lanes for one-way bike travel on a street or highway.

**Deficit:** An excess of expenditures over revenues.

**Detachment:** The deannexation, exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district.

**Direct debt:** The total amount of general obligation debt of a municipality or local government.

**Disadvantaged unincorporated community:** inhabited territory, as defined by Government Code Section 56046, or as determined by commission policy, that constitutes all or portion of a disadvantaged community as defined by Section 79505.5 of the Water Code (Government Code Section 56033.5). Inhabited territory is one where 12 or more registered voters reside. Disadvantaged community is a community with an annual median household income that is less than 80 percent of the statewide median. According to 2010 Census, the statewide annual median household income is \$60,833; 80% of that amount is \$48,706.

**Disposal:** Management of solid waste through landfilling, incineration, or other means at permitted solid waste facilities.

**Diversion:** The total quantity of solid waste, generated within the jurisdiction (State agency or large State facility), that is diverted from permitted solid waste transformation and disposal facilities, through existing source reduction, recycling, and composting programs.

**Diversion rate:** The amount of materials recycled as a percentage of the solid waste stream.

**Expenditure:** The use of fund resources.

**Fiscal year** The 12-month period of time to which a budget applies.

**Fund:** A group of related accounts used to manage resources assigned for specific activities or objectives.

**General fund:** The main operating fund of the city.

**General law city:** Standard organizational form for California cities, such as Dublin, Fremont, Livermore, Newark, Pleasanton, and Union City. While a general law city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general law, it is subject to constraints imposed by the general law, even those which are applicable to municipal affairs.

**General Plan:** A local government's long-term blueprint for the community's vision of future growth.

**Infrastructure needs and deficiencies:** The term, "infrastructure" is defined as public services and facilities, such as sewage-disposal systems, water-supply systems, other utility systems, and roads (General Plan Guidelines). Any area needing or planned for service must have the infrastructure necessary to support the provision of those services. The term, "infrastructure needs and deficiencies," refer to the status of existing and planned infrastructure and its relationship to the quality and levels of service that can or need to be provided.

**Intergovernmental tax revenue:** Transfers of funds from one level of government to another. This may be to fund general government operations or for specific purposes.

**Joint Powers Authorities:** A joint powers agency or joint powers authority (JPA) is a new, separate government organization created by the member agencies, but is legally independent from them. A JPA is generally formed by any two or more governmental entities (federal, state, or local) to provide a common service. Many are financing tools that let government agencies pool their scarce resources. Some run programs jointly. Councils of government are JPAs.

**Liquidity ratio:** Calculated by combining cash and short-term investments, then dividing by current liabilities. This ratio measures the short-term financial strength or liquidity position of the city. The higher the ratio, the greater the degree of liquidity.

**Long-term:** Within 15 years or longer.

**Measure D:** Alameda County ballot measure passed by the voters in 2000 establishing an urban growth boundary and restricting the nature and extent of land uses outside the urban growth boundary to agriculture, resource management, watershed management, and low-density rural residential uses. It also barred the provision of public facilities and infrastructure in excess of what would be needed to serve the level and type of development that the measure allowed.

**Measure WW:** Approved by voters in Alameda and Contra Costa counties in November 2008, Measure WW extended Measure AA, approved in 1988, to help the East Bay Regional Park District meet the increasing demand to preserve open space for recreation and wildlife habitat. Measure WW made funding available directly to cities and special park districts for high priority community park projects.

**Metropolitan Transportation Commission:** The transportation planning, financing, and coordinating agency for the nine counties that touch San Francisco Bay.

**Municipal bonds:** Bonds typically issued to help finance the infrastructure needs of the issuing municipality, including needs for streets and highways, sewer, water systems, power utilities, and various public projects. General obligation bonds, a type of municipal bond, are backed by the full faith and credit of the issuing municipality. Municipalities can apply funds raised from various kinds of taxes; the default risk of these bonds is low, since the municipality has the option of raising taxes to meet its obligations.

**Municipal services:** The full range of services that a public agency provides, or is authorized to provide, except general county government functions such as courts, special services and tax collection. Municipal service reviews are triggered by requirements to create or update SOIs for public agencies. Therefore, a LAFCO will review services that are provided by public agencies that have, or are required to have, SOIs with review and consideration of the operations of other providers that service the same region.

**Municipal Service Review:** A study and evaluation of municipal service(s) by specific area, sub-region or region culminating in written determinations regarding nine specific evaluation categories. An MSR study prepared before a LAFCO revises an SOI for cities and special districts.

**Net position:** The excess of all the City's assets over all its liabilities, regardless of fund.

**Open space:** Any parcel or area of land or water, which is substantially unimproved and devoted to an open-space use.

**Overlapping debt:** The financial obligations of a jurisdiction that also falls partly on a nearby jurisdiction.

**Priority Conservation Area:** Open space that provides agricultural, natural resource, scenic, recreational, and/or ecological values and ecosystem functions. A Priority Conservation Area is identified through consensus by local jurisdictions and park/open space districts as land in need of protection due to pressure from urban development or other factors, and is categorized by

four designations: Natural Landscapes, Agricultural Lands, Urban Greening and Regional Recreation.

**Priority Development Area:** A place, or infill development opportunity area, identified by Bay Area communities as an area for investment, new homes and job growth. Priority Development Areas are typically within walking distance of frequent transit service, and can accommodate a variety of housing options and amenities.

**Quimby Act:** California law originally proposed by former Assemblyman John P. Quimby (Government Code §66477) authorizing cities and counties to pass ordinances requiring that new development set aside park land (from 3 to 5 acres per 1,000 new population), donate conservation easements, or pay fees in lieu of dedication of park land.

**Recycling:** Under Assembly Bill 341, recycling includes source reduction, composting, and recycling.

**Reserve:** (1) For governmental type funds, an account used to earmark a portion of fund balance, which is legally or contractually restricted for a specific use or not appropriable for expenditure. (2) For proprietary type/enterprise funds, the portion of retained earnings set aside for specific purposes. Unnecessary reserves are those set aside for purposes that are not well defined or adopted or retained earnings that are not reasonably proportional to annual gross revenues.

**Short-term:** One year or less.

**Sphere of Influence:** is a plan that designates an agency's probable future boundary and service area. SOIs are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Annexation of a territory to a city or district cannot occur unless the territory is within that agency's SOI.

**Unassigned general fund:** Represents residual amounts that have not been restricted, committed, or assigned. The unassigned general fund balance serves as a useful measure of a government's net resources available for discretionary use at the end of the fiscal year.

**Unqualified opinion:** An unqualified opinion is also known as a clean opinion. The auditor reports an unqualified opinion if the financial statements are presumed to be free from material misstatements.

**Williamson Act:** The California Land Conservation Act of 1965—commonly referred to as the Williamson Act—enables local governments to enter into contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use. In return, landowners receive property tax assessments which are much lower than normal because they are based upon farming and open space uses as opposed to full market value.



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# Attachment A

## Service Level Statistics

### City of Alameda

**TABLE A.1**  
**CITY OF ALAMEDA**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

Service	Measure	Statistic
<b>Animal Control</b>		
	Dog licenses issued per 1,000	46
	Animals handled at shelter per year	1,580
	Calls for service	1,360
<b>Fire and Emergency Response</b>		
	Calls for service	6,422
	Fire response time (average)	4:23
	Basic life support response time (average)	4:23
	Staff per 1,000 population	—
<b>Law Enforcement</b>		
	Violent crimes	148
	Property crimes	1,092
	Violent crime clearance rate	56.7%
	Property crime clearance rate	4.9%
	Sworn personnel (FTE) per 1,000 population	1.1
	Crimes per sworn FTE (violent and property)	14.1
	Violent crime rates per 1,000 population	1.9
	Property crime rates per 1,000 population	14.1
	Residential population per station	79,277
<b>Library</b>		
	Items circulated per capita	6
	Public access computers per 1,000 population	1
<b>Lighting</b>		
	Signalized intersections	87
	Maintained traffic lights	3,132
	Maintained street lights	5,441

Service	Measure	Statistic
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city)	2
	Recreation centers per 20,000 residents	3.75
	Miles of recreation trails maintained by the City	3.5
<b>Planning/Building</b>		
	Residential Building Permits	3,670
	Commercial Building Permits Issued	467
<b>Solid Waste</b>		
	Residential waste diversion rate	79%
	Total solid waste diversion rate	76%
	Tons of waste disposed per capita	2.4
	Pounds of solid waste per person per day – Population	2.3
<b>Streets</b>		
	Street Miles	140
	FY Pavement condition index	71 (good/fair)
	Bike lane miles (Class 1 and Class 2)	31.9
<b>Stormwater</b>		
	Compliant with NPDES standards	Yes
	Percent of storm drainage inlets equipped with trash capture	2%
	Miles of closed storm drain	75
	Miles of open channel storm drain	<1
	Storm drain inlets	2,787
	Capacity of stormwater drain, if available	—
	Stormwater recharge facilities	None
	Stormwater detention basins	1 basin, 3 lagoon systems
	Provision for stormwater reclamation	Golf lagoons
<b>Utilities</b>		
	System average interruption frequency index	0.11
	System average interruption duration index	16.47
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	9.5
	Individual septic systems within jurisdiction	—

# City of Albany

**TABLE A.2**  
**CITY OF ALBANY**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

<b>Service</b>	<b>Measure</b>	<b>Statistic</b>
<b>Animal Control</b>		
	Dog licenses issued per 1,000	6
	Animals handled at shelter per year	—
	Calls for service	—
<b>Fire and Emergency Response</b>		
	Calls for service	14,411
	Fire response time (average)	3:28
	Basic life support response time (average)	3:28
	Staff per 1,000 population	0.9
<b>Law Enforcement</b>		
	Violent crimes	31
	Property crimes	492
	Violent crime clearance rate	—
	Property crime clearance rate	—
	Sworn personnel (FTE) per 1,000 population	1.4
	Crimes per sworn FTE (violent and property)	20.1
	Violent crime rates per 1,000 population	1.6
	Property crime rates per 1,000 population	25.2
	Residential population per station	19,488
<b>Library</b>		
	Items circulated per capita	20.37
	Public access computers per 1,000 population	0.76
<b>Lighting</b>		
	Signalized intersections	7
	Maintained traffic lights	16
	Maintained street lights	949
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city)	6
	Recreation centers per 20,000 residents	1
	Miles of recreation trails maintained by the City	1

<b>Service</b>	<b>Measure</b>	<b>Statistic</b>
<b>Planning/Building</b>		
	Residential Building Permits	805
	Commercial Building Permits Issued	47
<b>Solid Waste</b>		
	Residential waste diversion rate	—
	Total solid waste diversion rate	84%
	Tons of waste disposed per capita	0.33
	Pounds of solid waste per person per day – Population	1.8
<b>Streets</b>		
	Street Miles	29.4
	FY Pavement condition index	57 (at risk)
	Bike lane miles (Class 1 and Class 2)	4
<b>Stormwater</b>		
	Compliant with NPDES standards	Yes
	Percent of storm drainage inlets equipped with trash capture	18.2
	Miles of closed storm drain	10.4
	Miles of open channel storm drain	4.6
	Storm drain inlets	291
	Capacity of stormwater drain, if available	—
	Stormwater recharge facilities	—
	Stormwater detention basins	—
	Provision for stormwater reclamation	—
<b>Utilities</b>		
	System average interruption frequency index	—
	System average interruption duration index	—
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	81
	Individual septic systems within jurisdiction	0

# City of Berkeley

**TABLE A.3**  
**CITY OF BERKELEY**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

<b>Service</b>	<b>Measure</b>	<b>Statistic</b>
<b>Animal Control</b>		
	Dog licenses issued per 1,000	102
	Animals handled at shelter per year	2,081
	Calls for service	4,153
<b>Fire and Emergency Response</b>		
	Calls for service	14,610
	Fire response time (average)	5:00
	Basic life support response time (average)	5:00
	Staff per 1,000 population	1.2
<b>Law Enforcement</b>		
	Violent crimes	700
	Property crimes	5,928
	Violent crime clearance rate	40.14
	Property crime clearance rate	4.57
	Sworn personnel (FTE) per 1,000 population	1.4
	Crimes per sworn FTE (violent and property)	71
	Violent crime rates per 1,000 population	1.5
	Property crime rates per 1,000 population	4.2
	Residential population per station	35.7
<b>Library</b>		
	Items circulated per capita	15.8
	Public access computers per 1,000 population	1.1
<b>Lighting</b>		
	Signalized intersections	138
	Maintained traffic lights	138
	Maintained street lights	7,860
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city)	4
	Recreation centers per 20,000 residents	—
	Miles of recreation trails maintained by the City	—

<b>Service</b>	<b>Measure</b>	<b>Statistic</b>
<b>Planning/Building</b>		
	Residential Building Permits	3,285
	Commercial Building Permits Issued	563
<b>Solid Waste</b>		
	Residential waste diversion rate	65%
	Total solid waste diversion rate	76%
	Tons of waste disposed per capita	3.1
	Pounds of solid waste per person per day – Population	6
	Pounds of solid waste per person per day – Employees	6
<b>Streets</b>		
	Street Miles	216
	FY Pavement condition index	57 (at risk)
	Bike lane miles (Class 1 and Class 2)	—
<b>Stormwater</b>		
	Compliant with NPDES standards	Yes
	Percent of storm drainage inlets equipped with trash capture	10%
	Miles of closed storm drain	78
	Miles of open channel storm drain	—
	Storm drain inlets	3,900
	Capacity of stormwater drain, if available	10-year storm
	Stormwater recharge facilities	7
	Stormwater detention basins	1
	Provision for stormwater reclamation	None
<b>Utilities</b>		
	System average interruption frequency index	—
	System average interruption duration index	—
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	—
	Individual septic systems within jurisdiction	—



# City of Dublin

**TABLE A.4**  
**CITY OF DUBLIN**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

Service	Measure	Statistic
<b>Animal Control</b>		
	Dog licenses issued per 1,000	11.7
	Animals handled at shelter per year	415
	Calls for service	565
<b>Fire and Emergency Response</b>		
	Calls for service	2,843
	Fire response time (average)	4:45
	Basic life support response time (average)	4:45
	Staff per 1,000 population	—
<b>Law Enforcement</b>		
	Violent crimes	181
	Property crimes	996
	Violent crime clearance rate	51%
	Property crime clearance rate	15%
	Sworn personnel (FTE) per 1,000 population	1
	Crimes per sworn FTE (violent and property)	22.2
	Violent crime rates per 1,000 population	3.3
	Property crime rates per 1,000 population	18.1
	Residential population per station	55,124
<b>Library</b>		
	Items circulated per capita	56,106
	Public access computers per 1,000 population	0.91
<b>Lighting</b>		
	Signalized intersections	98
	Maintained traffic lights	94
	Maintained street lights	4,319
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city)	3.99
	Recreation centers per 20,000 residents	1.45
	Miles of recreation trails maintained by the City	23.6

Service	Measure	Statistic
<b>Planning/Building</b>		
	Residential Building Permits	1,249
	Commercial Building Permits Issued	208
<b>Solid Waste</b>		
	Residential waste diversion rate	50.27%
	Total solid waste diversion rate	48.31%
	Tons of waste disposed per capita	0.54
	Pounds of solid waste per person per day – Population	2.94
<b>Streets</b>		
	Street Miles	255.4
	FY Pavement condition index	84 (excellent/ very good)
	Bike lane miles (Class 1 and Class 2)	48.5
<b>Stormwater</b>		
	Compliant with NPDES standards	Yes
	Percent of storm drainage inlets equipped with trash capture	1.5%
	Miles of closed storm drain	73.6
	Miles of open channel storm drain	8.1
	Storm drain inlets	6,040
	Capacity of stormwater drain, if available	—
	Stormwater recharge facilities	0
	Stormwater detention basins	8
	Provision for stormwater reclamation	None
<b>Utilities</b>		
	System average interruption frequency index	—
	System average interruption duration index	—
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	—
	Individual septic systems within jurisdiction	—

# City of Emeryville

**TABLE A.5**  
**CITY OF EMERYVILLE**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

<b>Service</b>	<b>Measure</b>	<b>Statistic</b>
<b>Animal Control</b>		
	Dog licenses issued per 1,000	5.8
	Animals handled at shelter per year	124
	Calls for service	314
<b>Fire and Emergency Response</b>		
	Calls for service	2,227
	Fire response time (average)	4.63
	Basic life support response time (average)	4.63
	Staff per 1,000 population	—
<b>Law Enforcement</b>		
	Violent crimes	257
	Property crimes	1,999
	Violent crime clearance rate	12%
	Property crime clearance rate	30%
	Sworn personnel (FTE) per 1,000 population	3.2
	Crimes per sworn FTE (violent and property)	1.7
	Violent crime rates per 1,000 population	2.35%
	Property crime rates per 1,000 population	18.3
	Residential population per station	—
<b>Library</b>		
	Items circulated per capita	2.4
	Public access computers per 1,000 population	1.1
<b>Lighting</b>		
	Signalized intersections	26
	Maintained traffic lights	376
	Maintained street lights	1,563
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city)	3.78
	Recreation centers per 20,000 residents	2.00
	Miles of recreation trails maintained by the City	2.49

<b>Service</b>	<b>Measure</b>	<b>Statistic</b>
<b>Planning/Building</b>		
	Residential Building Permits	92
	Commercial Building Permits Issued	435
<b>Solid Waste</b>		
	Residential waste diversion rate	68.76%
	Total solid waste diversion rate	54.43%
	Tons of waste disposed per capita	0.69
	Pounds of solid waste per person per day – Population	3.78
<b>Streets</b>		
	Street Miles	20
	FY Pavement condition index	76 (good)
	Bike lane miles (Class 1 and Class 2)	4.6
<b>Stormwater</b>		
	Compliant with NPDES standards	Yes
	Percent of storm drainage inlets equipped with trash capture	—
	Miles of closed storm drain	13.26
	Miles of open channel storm drain	—
	Storm drain inlets	439
	Capacity of stormwater drain, if available	—
	Stormwater recharge facilities	—
	Stormwater detention basins	—
	Provision for stormwater reclamation	—
<b>Utilities</b>		
	System average interruption frequency index	—
	System average interruption duration index	—
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	0
	Individual septic systems within jurisdiction	0

# City of Fremont

**TABLE A.6**  
**CITY OF FREMONT**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

Service	Measure	Statistic
<b>Animal Control</b>		
	Dog licenses issued per 1,000	23
	Animals handled at shelter per year	4,488
	Calls for service	4,374
<b>Fire and Emergency Response</b>		
	Calls for service	14,686
	Fire response time (average)	5:17
	Basic life support response time (average)	5:09
	Staff per 1,000 population	0.7
<b>Law Enforcement</b>		
	Violent crimes	338
	Property crimes	4,385
	Violent crime clearance rate	46.2%
	Property crime clearance rate	8%
	Sworn personnel (FTE) per 1,000 population	0.8
	Crimes per sworn FTE (violent and property)	24.5
	Violent crime rates per 1,000 population	1.4
	Property crime rates per 1,000 population	19.4
	Residential population per station	—
<b>Library</b>		
	Items circulated per capita	—
	Public access computers per 1,000 population	—
<b>Lighting</b>		
	Signalized intersections	175
	Maintained traffic lights	—
	Maintained street lights	16,885
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city)	26.2
	Recreation centers per 20,000 residents	5
	Miles of recreation trails maintained by the City	—

Service	Measure	Statistic
<b>Planning/Building</b>		
	Residential Building Permits	332
	Commercial Building Permits Issued	12
<b>Solid Waste</b>		
	Residential waste diversion rate	not available
	Total solid waste diversion rate	72%
	Tons of waste disposed per capita	0.77
	Pounds of solid waste per person per day – Population	4.2
<b>Streets</b>		
	Street Miles	498
	FY Pavement condition index	69 (good/fair)
	Bike lane miles (Class 1 and Class 2)	117.8
<b>Stormwater</b>		
	Compliant with NPDES standards	Yes
	Percent of storm drainage inlets equipped with trash capture	14.4
	Miles of closed storm drain	—
	Miles of open channel storm drain	—
	Storm drain inlets	7,200
	Capacity of stormwater drain, if available	—
	Stormwater recharge facilities	—
	Stormwater detention basins	—
	Provision for stormwater reclamation	—
<b>Utilities</b>		
	System average interruption frequency index	—
	System average interruption duration index	—
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	—
	Individual septic systems within jurisdiction	—

# City of Hayward

**TABLE A.7**  
**CITY OF HAYWARD**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

Service	Measure	Statistic
<b>Animal Control</b>		
	Dog licenses issued per 1,000	11
	Animals handled at shelter per year	4,032
	Calls for service	3,130
<b>Fire and Emergency Response</b>		
	Calls for service	15,580
	Fire response time (average)	<5:00 >90%
	Basic life support response time (average)	<5:00 >90%
	Staff per 1,000 population	0.7
<b>Law Enforcement</b>		
	Violent crimes	556
	Property crimes	4,483
	Violent crime clearance rate	28.4
	Property crime clearance rate	7.6
	Sworn personnel (FTE) per 1,000 population	1.3
	Crimes per sworn FTE (violent and property)	28.3
	Violent crime rates per 1,000 population	3.8
	Property crime rates per 1,000 population	30.9
	Residential population per station	156,600
<b>Library</b>		
	Items circulated per capita	5.77
	Public access computers per 1,000 population	0.3597
<b>Lighting</b>		
	Signalized intersections	134
	Maintained traffic lights	140
	Maintained street lights	8,178
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city) <sup>1</sup>	—
	Recreation centers per 20,000 residents	0.38
	Miles of recreation trails maintained by the City <sup>1</sup>	—

Service	Measure	Statistic
<b>Planning/Building</b>		
	Residential Building Permits	3,889
	Commercial Building Permits Issued	280
<b>Solid Waste</b>		
	Residential waste diversion rate	47%
	Total solid waste diversion rate	74%
	Tons of waste disposed per capita	2.77
	Pounds of solid waste per person per day – Population	4.43
<b>Streets</b>		
	Street Miles	266
	FY Pavement condition index	67 (good/fair)
	Bike lane miles (Class 1 and Class 2)	29.2
<b>Stormwater</b>		
	Compliant with NPDES standards	Yes
	Percent of storm drainage inlets equipped with trash capture	79
	Miles of closed storm drain	261
	Miles of open channel storm drain	0
	Storm drain inlets	3,000
	Capacity of stormwater drain, if available	—
	Stormwater recharge facilities	0
	Stormwater detention basins	—
	Provision for stormwater reclamation	0
<b>Utilities</b>		
	System average interruption frequency index	—
	System average interruption duration index	—
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	51.24
	Individual septic systems within jurisdiction	—

<sup>1</sup> Parks and recreational trails are provided by Hayward Area Recreation and Park District and EBRPD.



# City of Livermore

**TABLE A.8**  
**CITY OF LIVERMORE**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

Service	Measure	Statistic
<b>Animal Control</b>		
	Dog licenses issued per 1,000	23
	Animals handled at shelter per year	736
	Calls for service	6,088
<b>Fire and Emergency Response</b>		
	Calls for service	7,431
	Fire response time (average)	6:34
	Basic life support response time (average)	5:55
	Staff per 1,000 population	1.8
<b>Law Enforcement</b>		
	Violent crimes	233
	Property crimes	2,479
	Violent crime clearance rate	60%
	Property crime clearance rate	7%
	Sworn personnel (FTE) per 1,000 population	1
	Crimes per sworn FTE (violent and property)	30.4
	Violent crime rates per 1,000 population	2.7
	Property crime rates per 1,000 population	28.8
	Residential population per station	88,138
<b>Library</b>		
	Items circulated per capita	9.17
	Public access computers per 1,000 population	0.94
<b>Lighting</b>		
	Signalized intersections	106
	Maintained traffic lights	106
	Maintained street lights	7,500
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city)	25
	Recreation centers per 20,000 residents	2
	Miles of recreation trails maintained by the City	8.8

Service	Measure	Statistic
<b>Planning/Building</b>		
	Residential Building Permits	3,603
	Commercial Building Permits Issued	356
<b>Solid Waste</b>		
	Residential waste diversion rate	0.69
	Total solid waste diversion rate	0.75
	Tons of waste disposed per capita	0.76
	Pounds of solid waste per person per day – Population	4.1
<b>Streets</b>		
	Street Miles	630
	FY Pavement condition index	77 (good/fair)
	Bike lane miles (Class 1 and Class 2)	20 (Class 1)
<b>Stormwater</b>		
	Compliant with NPDES standards	Yes
	Percent of storm drainage inlets equipped with trash capture	3.4
	Miles of closed storm drain	225.44
	Miles of open channel storm drain	5.46
	Storm drain inlets	4,967
	Capacity of stormwater drain, if available	10-year
	Stormwater recharge facilities	Arroyo Mocho and Arroyo Del Valle
	Stormwater detention basins	8
	Provision for stormwater reclamation	—
<b>Utilities</b>		
	System average interruption frequency index	—
	System average interruption duration index	—
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	0.04
	Individual septic systems within jurisdiction	—

# City of Newark

**TABLE A.9**  
**CITY OF NEWARK**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

Service	Measure	Statistic
<b>Animal Control</b>		
	Dog licenses issued per 1,000	44
	Animals handled at shelter per year	—
	Calls for service	1,285
<b>Fire and Emergency Response</b>		
	Calls for service	3,125
	Fire response time (average)	>90% compliance
	Basic life support response time (average)	>90% compliance
	Staff per 1,000 population	1.5
	Residential population per station	14,734
<b>Law Enforcement</b>		
	Violent crimes	81
	Property crimes	1,169
	Violent crime clearance rate	42%
	Property crime clearance rate	16%
	Sworn personnel (FTE) per 1,000 population	1.3
	Crimes per sworn FTE (violent and property)	26.6
	Violent crime rates per 1,000 population	8.4
	Property crime rates per 1,000 population	26.6
	Residential population per station	44,204
<b>Library</b>		
	Items circulated per capita	—
	Public access computers per 1,000 population	—
<b>Lighting</b>		
	Signalized intersections	44
	Maintained traffic lights	530
	Maintained street lights	2,849
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city)	3
	Recreation centers per 20,000 residents	2

<b>Service</b>	<b>Measure</b>	<b>Statistic</b>
	Miles of recreation trails maintained by the City	0
<b>Planning/Building</b>		
	Residential Building Permits	1,264
	Commercial Building Permits Issued	180
<b>Solid Waste</b>		
	Residential waste diversion rate	—
	Total solid waste diversion rate	70%
	Tons of waste disposed per capita	0.82
	Pounds of solid waste per person per day – Population	4.5
<b>Streets</b>		
	Street Miles	105.6
	FY Pavement condition index	76
	Bike lane miles (Class 1 and Class 2)	23.1
<b>Stormwater</b>		
	Compliant with NPDES standards	Yes
	Percent of storm drainage inlets equipped with trash capture	18%
	Miles of closed storm drain	56.8
	Miles of open channel storm drain	12
	Storm drain inlets	1,480
	Capacity of stormwater drain, if available	5.7 million cubic feet
	Stormwater recharge facilities	0
	Stormwater detention basins	4
	Provision for stormwater reclamation	Yes
<b>Utilities</b>		
	System average interruption frequency index	—
	System average interruption duration index	—
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	—
	Individual septic systems within jurisdiction	—

# City of Oakland

**TABLE A.10**  
**CITY OF OAKLAND**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

Service	Measure	Statistic
<b>Animal Control</b>		
	Dog licenses issued per 1,000	17
	Animals handled at shelter per year	5,506
	Calls for service	7,522
<b>Fire and Emergency Response</b>		
	Calls for service	72,803
	Fire response time (average)	8:30
	Basic life support response time (average)	8:30
	Staff per 1,000 population	1.4
<b>Law Enforcement</b>		
	Violent crimes	6,052
	Property crimes	24,568
	Violent crime clearance rate	26.3%
	Property crime clearance rate	3%
	Sworn personnel (FTE) per 1,000 population	1.7
	Crimes per sworn FTE (violent and property)	25.3
	Violent crime rates per 1,000 population	1.44
	Property crime rates per 1,000 population	0.59
	Residential population per station	—
<b>Library</b>		
	Items circulated per capita	5.92
	Public access computers per 1,000 population	0.06
<b>Lighting</b>		
	Signalized intersections	671
	Maintained traffic lights	642
	Maintained street lights	38,000
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city)	1.56
	Recreation centers per 20,000 residents	0.6
	Miles of recreation trails maintained by the City	40.16

<b>Service</b>	<b>Measure</b>	<b>Statistic</b>
<b>Planning/Building</b>		
	Residential Building Permits Commercial Building Permits Issued	3,895 (included above)
<b>Solid Waste</b>		
	Residential waste diversion rate	53%
	Total solid waste diversion rate	71%
	Tons of waste disposed per capita	0.62
	Pounds of solid waste per person per day – Population	3.4
<b>Streets</b>		
	Street Miles	831
	FY Pavement condition index	57 (at risk)
	Bike lane miles (Class 1 and Class 2)	84
<b>Stormwater</b>		
	Compliant with NPDES standards	100%
	Percent of storm drainage inlets equipped with trash capture	—
	Miles of closed storm drain	402
	Miles of open channel storm drain	80
	Storm drain inlets	7,578
	Capacity of stormwater drain, if available	—
	Stormwater recharge facilities	0
	Stormwater detention basins	0
	Provision for stormwater reclamation	0
<b>Utilities</b>		
	System average interruption frequency index	—
	System average interruption duration index	—
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	3,281
	Individual septic systems within jurisdiction	85

# City of Piedmont

**TABLE A.11**  
**CITY OF PIEDMONT**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

<b>Service</b>	<b>Measure</b>	<b>Statistic</b>
<b>Animal Control</b>		
	Dog licenses issued per 1,000	43.1
	Animals handled at shelter per year	97
	Calls for service	Incl. in fire
<b>Fire and Emergency Response</b>		
	Calls for service	14,145
	Fire response time (average)	4:00
	Basic life support response time (average)	4:00
	Staff per 1,000 population	2.9
<b>Law Enforcement</b>		
	Violent crimes	19
	Property crimes	205
	Violent crime clearance rate	36
	Property crime clearance rate	38
	Sworn personnel (FTE) per 1,000 population	1.7
	Crimes per sworn FTE (violent and property)	11.7
	Violent crime rates per 1,000 population	1.7
	Property crime rates per 1,000 population	18.6
	Residential population per station	11,150
<b>Library</b>		
	Items circulated per capita	7.39
	Public access computers per 1,000 population	—
<b>Lighting</b>		
	Signalized intersections	5
	Maintained traffic lights	5
	Maintained street lights	802
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city)	5
	Recreation centers per 20,000 residents	1
	Miles of recreation trails maintained by the City	0

<b>Service</b>	<b>Measure</b>	<b>Statistic</b>
<b>Planning/Building</b>		
	Residential Building Permits	1,532
	Commercial Building Permits Issued	(included above)
<b>Solid Waste</b>		
	Residential waste diversion rate	0.74
	Total solid waste diversion rate	0.74
	Tons of waste disposed per capita	0.82
	Pounds of solid waste per person per day – Population	4.52
<b>Streets</b>		
	Street Miles	40
	FY Pavement condition index	63 (good/fair)
	Bike lane miles (Class 1 and Class 2)	1.1
<b>Stormwater</b>		
	Compliant with NPDES standards	Yes
	Percent of storm drainage inlets equipped with trash capture	3
	Miles of closed storm drain	Unknown
	Miles of open channel storm drain	Unknown
	Storm drain inlets	501
	Capacity of stormwater drain, if available	Unknown
	Stormwater recharge facilities	None
	Stormwater detention basins	None
	Provision for stormwater reclamation	None
<b>Utilities</b>		
	System average interruption frequency index	Not tracked
	System average interruption duration index	Not tracked
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	0.0
	Individual septic systems within jurisdiction	—



# City of Pleasanton

**TABLE A.12**  
**CITY OF PLEASANTON**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

Service	Measure	Statistic
<b>Animal Control</b>		
	Dog licenses issued per 1,000	16.2
	Animals handled at shelter per year	403
	Calls for service	2,268
<b>Fire and Emergency Response</b>		
	Calls for service	4,815
	Fire response time (average)	6:22
	Basic life support response time (average)	5:40
	Staff per 1,000 population	0.625
<b>Law Enforcement</b>		
	Violent crimes	87
	Property crimes	1,652
	Violent crime clearance rate	78%
	Property crime clearance rate	26%
	Sworn personnel (FTE) per 1,000 population	1.1
	Crimes per sworn FTE (violent and property)	21
	Violent crime rates per 1,000 population	1.16
	Property crime rates per 1,000 population	22.1
	Residential population per station	74,850
<b>Library</b>		
	Items circulated per capita	19.35
	Public access computers per 1,000 population	0.44
<b>Lighting</b>		
	Signalized intersections	116
	Maintained traffic lights	116
	Maintained street lights	—
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city)	10.3
	Recreation centers per 20,000 residents	2.9
	Miles of recreation trails maintained by the City	24

Service	Measure	Statistic
<b>Planning/Building</b>		
	Residential Building Permits	3,209
	Commercial Building Permits Issued	530
<b>Solid Waste</b>		
	Residential waste diversion rate	19,644.3
	Total solid waste diversion rate	78%
	Tons of waste disposed per capita	1.02
	Pounds of solid waste per person per day – Population	5.6
<b>Streets</b>		
	Street Miles	207
	FY Pavement condition index	81 (excellent/ very good)
	Bike lane miles (Class 1 and Class 2)	75
<b>Stormwater</b>		
	Compliant with NPDES standards	yes
	Percent of storm drainage inlets equipped with trash capture	0
	Miles of closed storm drain	194
	Miles of open channel storm drain	23
	Storm drain inlets	6,315
	Capacity of stormwater drain, if available	—
	Stormwater recharge facilities	—
	Stormwater detention basins	8
	Provision for stormwater reclamation	—
<b>Utilities</b>		
	System average interruption frequency index	0.008
	System average interruption duration index	0.025
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	0.002
	Individual septic systems within jurisdiction	—

# City of San Leandro

**TABLE A.13**  
**CITY OF SAN LEANDRO**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

Service	Measure	Statistic
<b>Animal Control</b>		
	Dog licenses issued per 1,000	466
	Animals handled at shelter per year	421
	Calls for service	3,998
<b>Fire and Emergency Response</b>		
	Calls for service	10,001
	Fire response time (average)	4:37
	Basic life support response time (average)	4:37
	Staff per 1,000 population	1.58
<b>Law Enforcement</b>		
	Violent crimes	1,437
	Property crimes	4,848
	Violent crime clearance rate	46.9%
	Property crime clearance rate	34.67%
	Sworn personnel (FTE) per 1,000 population	1.03
	Crimes per sworn FTE (violent and property)	67.58
	Violent crime rates per 1,000 population	15.84
	Property crime rates per 1,000 population	53.44
	Residential population per station	90,712
<b>Library</b>		
	Items circulated per capita	6.2
	Public access computers per 1,000 population	1.25
<b>Lighting</b>		
	Signalized intersections	96
	Maintained traffic lights	4,800
	Maintained street lights	5,023
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city)	4.33
	Recreation centers per 20,000 residents	—
	Miles of recreation trails maintained by the City	7

Service	Measure	Statistic
<b>Planning/Building</b>		
	Residential Building Permits	1,619
	Commercial Building Permits Issued	250
<b>Solid Waste</b>		
	Residential waste diversion rate	—
	Total solid waste diversion rate	72%
	Tons of waste disposed per capita	0.88
	Pounds of solid waste per person per day – Population	4.8
<b>Streets</b>		
	Street Miles	174
	FY Pavement condition index	56 (at risk)
	Bike lane miles (Class 1 and Class 2)	32.53
<b>Stormwater</b>		
	Compliant with NPDES standards	89%
	Percent of storm drainage inlets equipped with trash capture	27%
	Miles of closed storm drain	180
	Miles of open channel storm drain	11,828 lineal feet
	Storm drain inlets	1,174
	Capacity of stormwater drain, if available	—
	Stormwater recharge facilities	n/a
	Stormwater detention basins	n/a
	Provision for stormwater reclamation	n/a
<b>Utilities</b>		
	System average interruption frequency index	—
	System average interruption duration index	—
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	0
	Individual septic systems within jurisdiction	2

# City of Union City

**TABLE A.14**  
**CITY OF UNION CITY**  
**MUNICIPAL SERVICE LEVEL STATISTICS, FY2015**

Service	Measure	Statistic
<b>Animal Control</b>		
	Dog licenses issued per 1,000	2.7
	Animals handled at shelter per year	1,858
	Calls for service	1,193
<b>Fire and Emergency Response</b>		
	Calls for service	4,814
	Fire response time (average)	>90% compliance
	Basic life support response time (average)	>90% compliance
	Staff per 1,000 population	—
<b>Law Enforcement</b>		
	Violent crimes	265
	Property crimes	1,643
	Violent crime clearance rate	32%
	Property crime clearance rate	18%
	Sworn personnel (FTE) per 1,000 population	1
	Crimes per sworn FTE (violent and property)	26
	Violent crime rates per 1,000 population	3.7
	Property crime rates per 1,000 population	22.8
	Residential population per station	0.49
<b>Library</b>		
	Items circulated per capita	—
	Public access computers per 1,000 population	—
<b>Lighting</b>		
	Signalized intersections	70
	Maintained traffic lights	500
	Maintained street lights	4,213
<b>Parks and Recreation</b>		
	Park acres per 1,000 population (all agencies in city)	2.07
	Recreation centers per 20,000 residents	—
	Miles of recreation trails maintained by the City	12

<b>Service</b>	<b>Measure</b>	<b>Statistic</b>
<b>Planning/Building</b>		
	Residential Building Permits	811
	Commercial Building Permits Issued	211
<b>Solid Waste</b>		
	Residential waste diversion rate	—
	Total solid waste diversion rate	78% (2014)
	Tons of waste disposed per capita	0.54 (2014)
	Pounds of solid waste per person per day – Population	3 (2014)
<b>Streets</b>		
	Street Miles	137.4
	FY Pavement condition index	81 (excellent/ very good)
	Bike lane miles (Class 1 and Class 2)	20
<b>Stormwater</b>		
	Compliant with NPDES standards	Yes
	Percent of storm drainage inlets equipped with trash capture	10%
	Miles of closed storm drain	82
	Miles of open channel storm drain	—
	Storm drain inlets	3,400
	Capacity of stormwater drain, if available	—
	Stormwater recharge facilities	0
	Stormwater detention basins	2
	Provision for stormwater reclamation	—
<b>Utilities</b>		
	System average interruption frequency index	—
	System average interruption duration index	—
<b>Wastewater</b>		
	Gallons of annual sewer overflow per 100 miles of pipe	—
	Individual septic systems within jurisdiction	—

# Attachment B

## Planning Documents

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Cities in Alameda County have developed and adopted a variety of planning documents that range in scope from citywide plans to department-specific plans. The plans reported by the cities during the MSR update process have been listed below; additional details are as provided by the cities.

### City of Alameda

- **Climate Action Plan:** The City's climate action plan was first adopted in 2008 and last revised in 2013. The top five priorities of the plan were to:
  1. Adopt zero waste strategy programs and ordinances;
  2. Develop multi-faceted community outreach program;
  3. Amend municipal code to include sustainable design and green building standards;
  4. Alameda Municipal Power to maintain and expand its mix of carbon-free energy resources;
  5. Develop and fund alternative transportation strategies
- **General Plan and Housing Element**

### City of Albany

- **Climate Action Plan:** The City's Climate Action Plan was approved in 2010. The Climate Action Plan priorities are:
  1. decreasing energy use in buildings,
  2. increasing renewable power generation,
  3. and increasing active transportation.
- **General Plan and Housing Element**
- **Strategic Plan – Police Department**

### City of Berkeley

- **Climate Action Plan**
- **General Plan and Housing Element**
- **Downtown Area Plan**
- **Southside Plan**

### City of Dublin

- **Climate Action Plan:** Dublin's Climate Action Plan was adopted in November 2010 and was updated in 2013. The top 3 priorities are:

1. transit-oriented, high density, and mixed-use development;
  2. getting people out of cars and onto public transportation, car sharing, or bikes; and
  3. improved energy efficiency and increase in rooftop solar.
- **General Plan and Housing Element**
  - **Bicycle and Pedestrian Master Plan**
  - **Strategic Plan – Parks and Community Services**

## City of Emeryville

- **Climate Action Plan:** Emeryville’s Climate Action Plan was first adopted in 2008 and then updated in 2016. The plan’s top priorities are centered around transportation goals such as increasing mixed-use neighborhoods, reducing vehicle miles traveled, and increasing use of clean fuels; reducing energy use in buildings; and increasing local renewable energy capacity and green jobs training; waste reduction goals such as zero waste to landfills and reduced-carbon supply chains; reducing water use; and improving urban spaces such as increasing the number of trees and improving access to local food.
- **General Plan and Housing Element**
- **Strategic Plan – Parks and Recreation:** establishes a course of action to create a sustainable and interconnected system of parks, recreation facilities, programs and services that promote recreation, health and environmental conservation as integral elements of the community.

## City of Fremont

- **Climate Action Plan:** The City’s Climate Action Plan was adopted in 2012. The top priority of the plan is to reduce the community’s GHG emissions by 25% from 2005’s levels by the year 2020. The plan is a roadmap for achieving this priority.
- **General Plan and Housing Element**
- **Parks and Recreation Master Plan** and the **Parks and Recreation Chapter** of the General Plan. Adopted in 1995, these documents contain the City’s policies pertaining to the acquisition and development of the park land to serve Fremont’s growing community. These include the policy for acquiring 5 acres of new park land for every 1,000 new residents in the city.
- **Fremont Downtown Community Plan:** The Plan established guidelines that describe how this area will be transformed into an urban, pedestrian-friendly district embodying sustainability and transit-oriented development principles. The public realm within the district will consist of a newly configured and redesigned “complete” street grid that serves multiple modes of transportation, accommodates parking and, in some instances, also serves to treat stormwater. Distinctive retail opportunities, civic plazas, entertainment/cultural art venues, a robust art program, and consolidated City government offices will also serve to attract residents from the City and the region. Finally, the Plan creates flexibility in accommodating a variety of land uses to respond to market conditions over time. Downtown is beginning to change as projects are approved and development moves forward. The City expects Downtown to be a great opportunity over the coming years as the downtown is built up with residential and commercial uses in one area with a variety of transit options.
- **Standard of Cover Plan – Fire Department:** Adopted by the City Council and incorporated into the City’s General Plan in 2004. The International Association of City Managers and the



International Association of Fire Chiefs jointly created an organization called the Commission on Fire Accreditation International. This organization created a formal and extensive Self-Assessment and Accreditation process known as the Standard of Cover that focuses on a Fire Department's use of appropriate industry practices. The plan focuses on two key areas of performance:

1. Determine appropriate response time and number of personnel needed necessary to mitigate the effects of a variety of emergencies (i.e., structure fire, medical emergency, hazardous material, rescue, flood, etc.)
2. Conduct a survey of the fire risk for all structures within a given jurisdiction

The study discusses the following elements:

1. Assessment of individual occupancy type and overall community risk
  2. Evaluates historical response performance and problem areas
  3. Identifies and evaluates critical tasks for each major call type
  4. Develops appropriate and measurable response expectations
  5. Researches and analyzes potential improvement alternatives
  6. Identifies and/or implement actions within the scope of authority of the Fire Department
  7. Makes responsible recommendations for improvement to the City Council
- **Strategic Plan – Information Technology Department**

## City of Hayward

- **Climate Action Plan:** The City first adopted a Climate Action Plan in 2009. The Plan was last updated in 2014, when it was integrated in to the General Plan. The goal of Hayward's Climate Action Plan is to reduce greenhouse gas emissions to 20% below 2005 baseline emissions by 2020, 62.7% below baseline emissions by 2040, and 82.5% below baseline emissions by 2050.
- **General Plan and Housing Element**
- **South Hayward BART Development, Design, and Access Plan**
- **Cannery Area Design Plan**
- **Mission Boulevard Corridor Specific Plan**
- **Strategic Plan – Police Department**
- **Economic Development Strategic Plan**
- **IT Strategic Plan**
- **Urban Water Management Plan**
- **Sewer System Management Plan**

## City of Livermore

- **Climate Action Plan:** The Climate Action Plan was adopted in November 2012. The three top priorities addressed the following:
  1. community greenhouse gas reductions through increased building energy efficiencies
  2. water conservation
  3. waste reduction
- **General Plan and Housing Element**

- **CDBG/HOME Consolidated Plan (2015 – 2019) and Action Plan (2015 – 2016):** address needs for the senior population including affordable housing, care and other support programs
- **Downtown Specific Plan**
- **Strategic Plan – Police Department**
- **Strategic Plan – Fire Department**
- **Strategic Plan – Library Services**
- **Bikeways and Trails Master Plan**
- **Urban Water Management Plan**
- **2017–2019 Housing Implementation Program**

## City of Newark

- **Climate Action Plan:** Newark’s Climate Action Plan was approved in January 2010. Top priorities include:
  1. Set Greenhouse Gas Emissions for the next 10 years. This goal includes a 15% reduction by 2020
  2. Incorporate carbon reduction into the City General Plan
  3. Use the Climate Action Plan as a “springboard” for determining GHG reducing actions in all aspects of planning and development
- **General Plan and Housing Element**
- **Five-Year Forecast 2016-2021:** includes a Strategic Plan section which outlines Critical Issues, Strategies, and specific Action Items
- **Strategic Plan – Police Department**

## City of Oakland

- **Energy and Climate Action Plan:** The Oakland City Council adopted the Energy and Climate Action Plan on December 4, 2012. The top 3 priorities are:
  1. to reduce greenhouse gas emissions 36% by 2020, consistent with the adopted City Council goal;
  2. to ensure greenhouse gas reductions support improved equity within the Oakland community; and
  3. to achieve emissions reductions across the full range of sources, including buildings, land use, transportation, solid waste, and consumption.
- **General Plan and Housing Element**
- **Pedestrian Master Plan**
- **Bicycle Master Plan**
- **Resilient Oakland Strategy**
- **Strategic Plan – Department of Transportation**
- **Strategic Plan – Police Department**
- **Library 6-Month Strategic Objectives:** Based on Three-Year Goals. These are updated regularly and each six months, senior staff conduct a Strategic Planning Retreat to monitor progress and update goals.
- **Sidewalk Prioritization Program**

- **Street Pavement Prioritization Program**
- **ADA Curb Ramp Transition Plan**
- **Oakland Workforce and Development Board Local Plan**

## City of Piedmont

- **Climate Action Plan:** Piedmont's Climate Action Plan was adopted in March 2010. The top three priorities are:
  1. to reduce greenhouse gas emissions,
  2. increasing energy efficiency in buildings, and
  3. reducing energy consumption in buildings and vehicles.
- **General Plan and Housing Element**
- **Strategic Plan – Police Department**
- **Strategic Plan – Fire Department**
- **Strategic Plan – Information Technology**
- **Facilities Maintenance Plan**
- **Equipment Replacement Plan**

## City of Pleasanton

- **Climate Action Plan:** Adopted in February 2012, the plan identifies the following top 6 guiding principles:
  1. Formulate specific targets and performance measures as benchmarks
  2. Promote citizen and stakeholder participation in administrative design and decisions for energy efficiency and sustainability
  3. Engage interested parties and share knowledge through sustainability networks and regional collaboration initiatives
  4. Establish a dedicated sustainability office with appropriate funding
  5. Coordinate sustainability and energy programs with traditional services and economic development functions
  6. Lead by example – increase sustainability initiatives by first practicing sustainability within local government operations and activities
- **General Plan and Housing Element**
- **Bicycle and Pedestrian Plan**

## City of San Leandro

- **Climate Action Plan:** Approved by City Council in December 2009, the plan details the city's commitment to reduce greenhouse gas emissions to 25% below 2005 levels by 2020. The top 3 Climate Action Plan priorities are:
  1. Improve Energy Efficiency for Existing Residential and Commercial/Industrial Properties (Goals 3.1 and 3.2)
  2. Encourage Development that Promotes Walkable Communities (Goal 4.1)

3. Increase Energy Efficiency and Renewable Energy Use in City Facilities (Goal 6.1)
- **General Plan and Housing Element**
  - **Transit-Oriented Development Plan:** The primary goals of the Plan are to increase transit ridership and enhance Downtown San Leandro. The Plan contains land use, circulation and design guideline implementation strategies. The Plan may result in the following development quantities: 3,430 residential units, 120,800 square feet of retail and 718,200 square feet of office. The Plan includes development opportunity sites.
  - Sewer Master Plan
  - Local Hazard Mitigation Plan

## City of Union City

- **Climate Action Plan:** The City's Climate Action Plan (CAP) was first approved in 2010. We will be updating the CAP after we finish the update to the General Plan, which is currently underway. We anticipate completing the CAP update by 2020. Since adoption of the CAP, the City has focused efforts to reduce greenhouse gas emissions in the following three sectors: building energy, transportation, and land use.
- **General Plan and Housing Element**
- **Economic Development Strategic Plan:** Adopted in 2016, the plan sets priorities for Union City's business development for the next decade; monitored by the Economic Development Advisory Team
- **Branding and Marketing Strategic Plan:** Adopted in 2016, the plan is Union City's first-ever branding program consisting of a visionary Brand Promise; updated and award-winning logo and visual identity program, and associated branding programs for the Intermodal Station District and Union Landing Retail Center.