



City of East Palo Alto

Members of the Council
William Vines, *Mayor*
John Bostic, *Vice Mayor*
Warnell Coats
Pat Johnson
Barbara A. Mouton

Stanley H. Hall, *City Manager*
Lynda Rahi, *Deputy City Manager*

THIS AGENDA IS POSTED IN ACCORDANCE WITH
CODE SECTION 54954.2 (A) OR SECTION 54956.

DATE POSTED: July 23, 1990 - TIME POSTED: 11:45 a.m. *LF*

**AGENDA
EAST PALO ALTO CITY COUNCIL
THURSDAY, JULY 26, 1990
SPECIAL MEETING, 7:00 P.M.
COUNCIL CHAMBERS, 2415 UNIVERSITY AVENUE**

To facilitate your business with the City Council all agenda items should be in the Council Office no later than 5:00 p.m. on Friday, one week preceding the scheduled meeting.

MAYOR: WILLIAM VINES
VICE-MAYOR: JOHN BOSTIC
COUNCILMEMBERS: WARNELL COATS, PAT JOHNSON, BARBARA MOUTON

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NOTICE: The East Palo Alto City Council welcomes public input. Anyone desiring to address the Council is required to fill in the request form available at the City Clerk's desk. However, because of the Brown Act, the Council cannot discuss or vote on any item raised by the public or any of its own members unless the item appears on the posted agenda. Such items are referred to staff and placed on the current agenda or the agenda of the next meeting. During the public input portion of the meeting, comment is restricted to no more than 2 minutes for any individual and shall not exceed 20 minutes in total time.

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1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF AGENDA
3. REPORTS FROM COUNCIL MEMBERS AND STAFF
4. REPORTS FROM CITY COUNCIL COMMITTEES

5. COMMUNITY FORUM

At this point on the agenda, citizens may address the City Council on any item which is NOT on the agenda. No decision may be made. Inquires shall be noted and responded to in writing by staff.

6. BOARD AND COMMISSION MATTERS

A. Consider applications for appointment to Planning Commission.

7. CITY MANAGER'S REPORT

7.1 Report regarding overall Planning Services for the City of East Palo Alto.

7.2 Consider revenue enhancement items:

A. Consider Ordinance establishing Local Real Estate Property Transfer Fee.

B. Consider Ordinance levying Construction Fee.

C. Consider Establishment of a Flea Market.

D. Review exhibit agreement with Sam Trans and other Service Transportation agencies both public and private regarding use of City streets.

8. APPROVAL OF CONSENT CALENDAR

8.1 Approve plans and call for bids - 1990 Miscellaneous Paving Project.

8.2 Agreement with San Mateo County for Phase II Transit Funds.

8.3 Approve map and plans for portion of Lot 12 of Faber Subdivision.

9. POLICY DISCUSSION AND ACTION ITEMS

9.1 PUBLIC HEARING

Resolution adopting and approving FY 90-91 Budget.

10. ADJOURNMENT

FILE COPY

MEMORANDUM

TO: Stanley Hall
City Manager

FROM: Robert K. Booth, Jr.
City Attorney

DATE: July 25, 1990

RE: "Construction Fee" Ordinance and Real Property
Transfer Tax"

This is a confirmation of my brief discussion with you on the phone of Wednesday, July 25, 1990. We were not informed that there was a Council meeting scheduled for Thursday night; Mr. Toppel is available and will attend the meeting.

With respect to the "real property transfer tax", such a tax is absolutely prohibited by Article XIII, Section 4 of the California Constitution, a portion of Proposition 13 (copy enclosed). A real property transfer tax may not be adopted by any local agency or its rate increased even with a vote of the people.

With respect to the "construction fees", the City possesses the power to set fees for building permits and other aspects of construction at a rate which does not exceed the reasonable costs providing the service on a fully allocated basis including general City overhead. If, however, a tax is to be imposed on construction, such as exists in some other cities in the Bay Area, under Prop. 62 that must be submitted to the voters and be approved by a majority thereof in order to become effective. Calling it a "fee" does not save it from being a tax. If you wish a fee for services, AB 1600 Government Code §66000 et seq. must be complied with. Stringent requirements for findings are contained

therein. If there is an interest in putting a tax measure on the November ballot, please be advised that time is extremely short and everything must be to the Registrar of Voters in early August in order to make the November ballot.

Please give Hal or me a call if we might be of assistance to the City in this matter.

RKB:fmc

Robert K. Booth, Jr.
City Attorney

ORDINANCE NO. _____ *new*

AN URGENCY ORDINANCE OF THE CITY OF EAST PALO ALTO
IMPOSING A CONSTRUCTION FEE FOR ~~ALL~~ CONSTRUCTION
TAKING PLACE IN THE CITY OF EAST PALO ALTO

SECTION 1. *but would not apply to add-on alterations to existing buildings homes*

Whereas, the City Council of East Palo Alto wishes to adopt an Ordinance providing for a Construction fee, and

SECTION 2.

Whereas, the City Council finds and determines as follows:

(a) The City of East Palo Alto is presently confronted with a fiscal crisis that threatens the continued operation and viability of the City as a governmental organization. The City has unfunded existing liabilities in excess of \$1,300,000. There is a critical shortage of administrative and staff personnel in every department of the City, and general revenues must be increased beyond existing levels.

(b) The fiscal crisis has seriously impaired the ability of the City to deliver basic and essential governmental services, including, but not limited to, police protection to combat the high rate of felony crime, code enforcement to abate public nuisances, and public works programs to maintain, repair and replace streets, sidewalks, light fixtures, and other public facilities. The lack of these services has resulted in a general deterioration of the physical condition of the City, a depression of property values, a serious threat to the health, safety and welfare of East Palo Alto residents, and a significant decline in the quality of life experienced by those who live or work within the City. These services directly affect every owner or occupant of real property within the City and must be provided by any municipal government as a matter of necessity and not individual choice.

(c) In order to assure that the construction fee will be paid when due, and to avoid the possible necessity for expensive and time consuming legal proceedings for the collection of the fee, the liability for payment of the fee established by the Ordinance will be secured by a lien upon the property owned or occupied by the persons utilizing the municipal services. The Building Department of the City of East Palo Alto shall notify all persons or organizations who attempt to obtain building permits of this fee, and advise each applicant that it is owed, do and payable to the City at the time they apply for a permit or permits for all construction they undertake in the City.

*aimed at
new.*

*for new
construction.*

SECTION 3.

IMPOSITION OF FEE There is hereby imposed a fee on all construction that takes place in the City, whether public or private with the exception being City initiated construction. The fee shall be levied at the rate of one and one-half percent (1 1/2%) of the value of construction effective July 26, 1990.

SECTION 4.

EFFECTIVE DATE This Ordinance shall take effect immediately upon approval by a 4 vote majority of the votes cast by the City Council that this Ordinance be adopted, in accordance with Section 53723 of the California Government Code.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 1990, by the following vote:

AYES:

NOES:

ABSENT:

WILLIAM VINES, MAYOR

ATTEST:

STANLEY H. HALL, CITY MANAGER

LH/CONSTRUC.ORD