



City Council Staff Report

From: City Manager

Report Type: ACTION ITEMS

Lead Department: City Manager

Meeting Date: March 4, 2024

Report #:2401-2520

TITLE

Approval of the 2024 City Council Priority Objectives and Finance Committee and Policy & Services Committee Workplans

RECOMMENDATION

Approve the 2024 City Council Priority Objectives, and workplans for Finance Committee and Policy & Services Committee.

BACKGROUND

On January 29, 2024¹, the Council held its annual retreat to approve the 2024 Council Priorities. The Council Handbook² defines a priority as a topic that will receive unusual and significant attention during the year. With only minor edits, the Council voted to keep the existing Priorities for another year, they include:

- Economic Development and Transition
- Climate Change and the Natural Environment: Protection and Adaptation
- Housing for Social and Economic Balance
- Community Health, Safety, Wellness and Belonging

Each Council Priority area encompasses a set of specific, measurable, attainable, relevant, and time-bound (SMART) Objectives. These Objectives primarily consist of Council actions and engagement required throughout the calendar year to further the adopted priorities. Council engagement may include a variety of forms, such as Council approval, committee/council ad hoc review and recommendations, legislative advocacy, regional board/committee

¹ City Council Retreat, 1/29/2024:

² City Council Handbook: <https://www.cityofpaloalto.org/files/assets/public/v/1/city-clerk/city-charterprocedures/2023-adopted-council-protocols-and-procedures-manual-5.2023.pdf>

representation, and budgetary actions. Using 2023 Priority Objectives as a baseline, staff has evaluated and included a proposed list for Council consideration in 2024.

In addition to Priority Objectives, Council evaluates progress on topics and issues of interest through the approval of Committee Workplans. Finance Committee and Policy & Services Committee Workplans are also included for Council consideration and approval.

ANALYSIS

The 2024 Council Proposed Priority Objectives list is ambitious with a total of 75 Objectives. This can be compared to the 72 objectives approved by the Council in calendar year 2023. During its annual retreat, Council reflected on 2023 accomplishments and expressed appreciation for progress made and overall advancement in each priority area, though also acknowledged the actual rate of completion in 2023 was approximately 50% and approximately 70% were completed or on-track. The proposed 2024 workplan reflects alignment with prior Council direction, the identified priorities, and regulatory requirements. Staff have estimated that several objectives will require additional resources to complete as outlined. Allocation of additional funding is not always a complete solution to overcome obstacles for completion. Timelines to procure consultant support, or the process to recruit, onboard, and train new staff delay the City's ability to begin or maintain the pace of work on these projects, especially within the 2024 calendar year timeframe outlined, of which the first 2 months have passed.

Attachment A is the summary of 2024 Objectives. It includes new Objectives and 2023 objectives carried over that were not completed for consideration. The table is organized with the following information:

- **Revised/New-** Revised Objectives (R) refer to those not completed in 2023 and may have been revised to reflect 2024 goals. These will include the previous number/letter as identified on the 2023 workplan in parentheses. New Objectives (N) reflects an action or project that is new to 2024 and was not on the 2023 workplan.
- **Objective Description-** Summarizes the activity to be accomplished in calendar year 2024, with more detail to follow in the Objective narrative.
- **Estimated Completion-** Reflects the 2024 calendar quarter in which the Objective is estimated to be completed. Q1 is January-March, Q2 is April-June, Q3 is July-September, and Q4 is October-December.
- **Council Priority Crossover-** Identifies which Council Priorities the Objective supports, as some could fit in several Priority areas.
- **Funding Needed-** Reflects a project that requires additional resources (staffing, capital investment, or professional services) to achieve and complete the activity beyond current budgeted levels. '\$' is up to 50K, '\$\$' is 51-400K, '\$\$\$' is 500K+

A few 2023 Objectives were dropped from the list and are outlined below. Some have been replaced by alternative Objectives that better align with Council priorities.

- Align Business Improvement District (BID) priorities and investments to the Comprehensive ED Strategy (g). Discussion of the Downtown Business Improvement District is expected to continue in the discussions with the economic development priorities, but we do not expect this work to mature sufficiently in 2024 to allow realignment of BID priorities and investments to occur this calendar year.
- Approve operations and maintenance agreements with Valley Water purified water facility at LATP Area B (y)
- Create new affordable housing opportunities through funding such as a housing land trust, in particular, CalCHA (gg)
- Explore opportunities to regulate short-term rentals with Council committee (hh)
- Respond to various Grand Jury recommendations related to Housing (HSEB 6, 17, 24) (kk)
- Develop a citywide strategy to connect unhoused residents to housing and services (qq). This is replaced by a gap analysis that would identify any areas that the City could feasibly work towards within our own abilities.

Council may decide to add these objectives back to the 2024 Proposed Council priorities, after discussing and conferring with staff regarding their urgency and consideration of an attainable expectations for the 2024 objectives in full.

Finance and Policy & Services Standing Committee Workplans

Attachment B and C reflect the current draft workplans for the two City Council standing committees that meet monthly, Finance Committee and Policy & Services Committee. These workplans reflect annual agenda items and current referrals from Council. Staff expects that as work progresses on the 2024 objectives, some objectives will use these committees for review and feedback and will be added throughout the year as appropriate to ensure continued progress on the objectives. Council can identify if any referrals are missing from the list in the workplan attachments.

FISCAL/RESOURCE IMPACT

Council approval of Priority Objectives does not have an immediate fiscal impact; however, resources will need to be allocated to non-resourced projects to implement Council Priorities. Opportunities to resource projects include the FY 2025 annual budget process, with adoption scheduled for June 2024. In addition, Council may amend the budget in alignment with the municipal code regulation at its normal Council meetings throughout the year.

STAKEHOLDER ENGAGEMENT

Council, community and stakeholder engagement is a key area of focus that is woven into the workplans to implement the proposed Council objectives contained in this report. Should the Council revise or add to the proposed objectives list, staff will develop engagement plans to

support each project. Attachment D includes examples of the various community engagement strategies used to advance the Council Priorities and Objectives.

ENVIRONMENTAL REVIEW

Council action on this item is not a project as defined by CEQA because the Council discussion on 2024 Priority Objectives is a continuing administrative or maintenance activity. CEQA Guidelines section 15378 (b)(2).

ATTACHMENTS

Attachment A: 2024 Proposed Council Priority Objectives

Attachment B: Finance Committee 2024 Tentative Topics

Attachment C: Policy & Services Committee 2024 Tentative Topics

Attachment D: Community Engagement Strategies

APPROVED BY:

Ed Shikada, City Manager