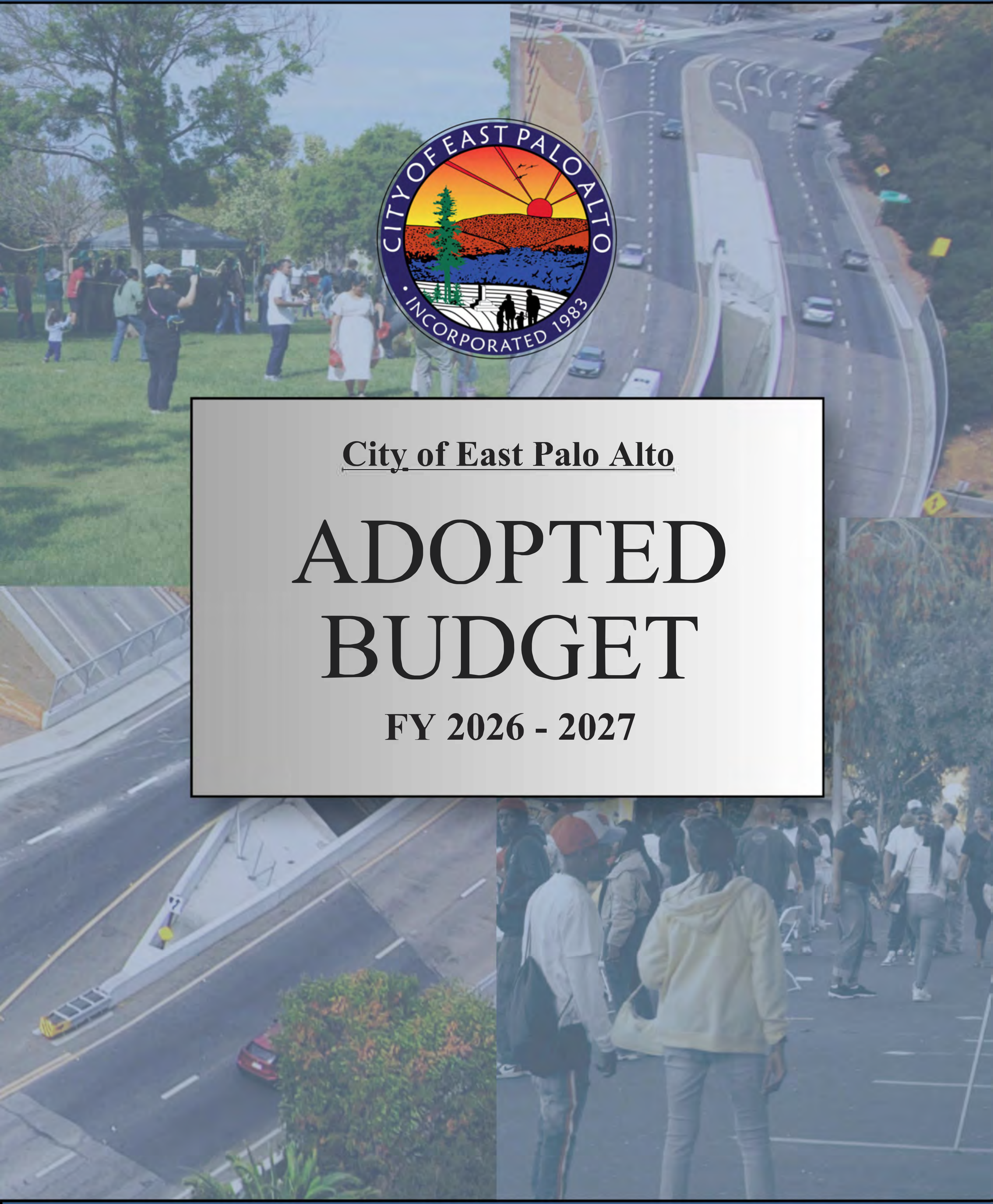


City of East Palo Alto

ADOPTED BUDGET

FY 2026 - 2027

This Page Intentionally Left Blank

FY 2026-2027 Budget

Mayor

Webster Lincoln

Vice Mayor

Ruben Abrica

Council Members

Carlos Romero

Mark Dinan

Martha Barragan

MISSION STATEMENT

The City of East Palo Alto provides responsive, respectful, and efficient public services to enhance the quality of life and safety for its multi-cultural community.

This Page Intentionally Left Blank

Executive Staff

Executive Staff

Melvin Gaines, City Manager
City Manager's Office

Shiri Klima, Assistant City Manager
City Manager's Office

John Le, City Attorney
City Attorney's Office

James Colin, City Clerk/Public Information Officer (PIO)
City Clerk's Office

Tomohito Oku, Finance Director
Finance Department

Community Development Director — Vacant
Community and Economic Development

Humza Javed, Public Works Director
Public Works

Jeff Liu, Police Chief
Police Department

This Page Intentionally Left Blank

Table of Contents

This Page Intentionally Left Blank

CITY OF EAST PALO ALTO
Office of the City Manager

2415 University Avenue
East Palo Alto, CA 94303

Phone: (650) 853- 3118
Fax: (650) 853-3136

www.cityofepa.org
cmoffice@cityofepa.org

Honorable Mayor and Members of the City Council,

I am pleased to present the Proposed Fiscal Year 2026–27 Budget for your review and consideration. This budget reflects the City's commitment to maintaining essential public services, investing in critical infrastructure, and advancing community priorities while navigating a challenging and uncertain fiscal environment.

Fiscal Environment

East Palo Alto has made significant progress in strengthening its financial position over the past several years. Through prudent fiscal management, strategic investments, and careful stewardship of public resources, the City has improved its financial stability while continuing to expand services and address long-standing community needs.

At the same time, significant fiscal challenges remain. Rising personnel, maintenance, insurance, and contractual service costs continue to outpace growth in traditional revenue sources. Demand for public safety, infrastructure improvements, housing initiatives, recreation programs, and other community services remains strong, placing continued pressure on limited discretionary resources.

One of the most significant challenges facing East Palo Alto and other jurisdictions throughout San Mateo County is the ongoing Property Tax in Lieu of Vehicle License Fee (VLF) funding shortfall. For decades, the State has provided replacement revenues to local governments in lieu of Vehicle License Fee revenues. However, San Mateo County jurisdictions have not received the full amount to which they are entitled under the State's funding formula. In Fiscal Year 2024–25 alone, the countywide shortfall totaled approximately $119 million, and the State continues to withhold more than $100 million annually from San Mateo County cities and the County itself.

For East Palo Alto, the impact is particularly significant. The City faces an estimated $2.6 million reduction in the VLF-related revenues in Fiscal Year 2026–27. This amount represents roughly seven percent of General Fund revenues and significantly affects the City's ability to fund essential services, community programs, and neighborhood investments.

The Proposed Budget reflects these realities. Citywide revenues are projected at approximately $68.5 million, while expenditures are projected at approximately $82.9 million. The difference is largely attributable to planned capital investments, expenditures funded through restricted revenue sources, and implementation of previously authorized Council priorities. While the City maintains reserves and fund balances that allow us to continue advancing important projects and maintaining service levels, reliance on one-time resources is not a sustainable long-term strategy.

As we look ahead, fiscal discipline, thoughtful prioritization, and strategic decision-making will remain essential. The City must continue balancing current service demands with long-term financial sustainability while positioning itself to take advantage of future opportunities.

<u>Investing in Community Priorities</u>

Despite these challenges, the Proposed Budget continues to invest in the City Council's Strategic Priorities as well as priorities identified by residents through EPA Talks and other community engagement efforts. The budget includes funding for projects and services that improve quality of life, strengthen community resilience, and address critical infrastructure needs.

These investments include replacing aging infrastructure to ensure safe, clean, and reliable drinking water; improving storm drainage systems; expanding recreation opportunities for youth and families; enhancing emergency preparedness capabilities; and maintaining essential public facilities.

The budget also funds major projects that residents have consistently identified as priorities, including the development of an Emergency Operations Center to coordinate disaster response and community facilities that can serve as places of refuge during periods of extreme heat, cold, poor air quality, or other emergencies.

Community feedback has further emphasized the importance of investing in streets, parks, utilities, public safety facilities, and the development of modern civic and library facilities. Residents have repeatedly expressed the need for safe gathering spaces and recreational opportunities for children, teens, families, and seniors. These investments are intended to expand access to community amenities and support programs that serve residents of all ages.

The Proposed Budget also continues advancing the City's long-term vision for a Civic Center. Since incorporation, East Palo Alto has never owned its City Hall, police station, or library. Municipal operations have historically been dispersed across multiple leased facilities, limiting operational efficiency and increasing long-term costs.

By funding key components of the future Civic Center, this budget advances East Palo Alto's pursuit of greater self-determination and supports the City's broader economic development strategy. The proposed Civic Center would consolidate essential public services in a central location, including City Hall, a modern library, community gathering spaces, parkland, and emergency operations functions. As the City's downtown emerges, these investments have the potential to strengthen civic identity, improve service delivery, and create a lasting public asset for future generations.

Together, these investments address aging infrastructure, support effective service delivery, expand community amenities, and maintain facilities that serve residents both today and in the future. The budget seeks to balance ongoing operational needs with long-term capital investments that advance the City's strategic goals and community priorities.

East Palo Alto Sanitary District

The East Palo Alto Sanitary District (EPASD) continues to operate as a subsidiary district of the City and is presented within the budget as a separate enterprise fund. This structure promotes transparency, accountability, and sound financial management while ensuring the continued delivery of essential wastewater services.

The proposed EPASD budget includes investments necessary to maintain critical infrastructure, comply with regulatory requirements, and provide reliable, high-quality wastewater service to customers. These investments help preserve public health, protect the environment, and support the long-term sustainability of the District's operations.

Looking Ahead

The Fiscal Year 2026–27 Proposed Budget reflects a balanced approach that acknowledges current fiscal realities while continuing to move East Palo Alto forward. It recognizes both the challenges we face and the opportunities before us. While financial pressures remain significant, the City is well-positioned to continue delivering essential services, advancing strategic priorities, and investing in the future of the community.

Staff will continue to closely monitor revenues, expenditures, economic conditions, and developments related to VLF funding and other state and federal funding sources. As conditions evolve, recommendations will be brought forward to protect the City's long-term fiscal sustainability and ensure responsible stewardship of public resources.

I would like to thank the Finance Department, department directors, and City staff for their dedication and hard work in preparing this budget. I also extend my appreciation to the residents of East Palo Alto for their continued engagement and participation, and to the City Council for your leadership, partnership, and commitment to serving our community.

Respectfully submitted,

Melvin E. Gaines,

City Manager
City of East Palo Alto

This Page Intentionally Left Blank

How to Use the Budget Document

The East Palo Alto Budget Document serves as the City's financial plan for allocating available fiscal, human, and capital resources. These resources support the delivery of services designed to meet the needs of East Palo Alto residents.

Through the planning and budgeting process, the City Council and City staff identify and address community priorities and service needs. The result is a comprehensive budget document that reflects both the City's financial resources and the priorities of the community. The budget balances projected revenues and expenditures while supporting the programs, services, and initiatives most important to residents.

The Budget Document is organized into eight major sections:

- City Manager's Message
- How to Use the Budget Document
- City Council Strategic Plan
- Organizational Summary Information
- Financial Summary Information
- Departmental Budgets
- Miscellaneous
- Glossary

The City Manager's Message

The City Manager's Message provides a broad overview of the fiscal budget period and establishes the context for budget decisions by highlighting the community and economic conditions affecting the City. It also outlines major initiatives currently underway and identifies key challenges facing the organization.

How to Use the Budget Document

Below is a summary of the sections within the document, describing how each section may be used effectively to understand the make-up of the document.

The City Council's Strategic Plan

The City Council's Strategic Plan establishes the organization's goals and priorities. It provides policy direction for initiatives to be pursued over a two-year period and guides the work plans and budgets of departments responsible for implementing those initiatives, subject to available resources.

Organizational Summary Information

This section of the document provides reference information about the City and its organization, including the organizational chart, a nine-year summary of authorized staffing levels, "East Palo Alto at a Glance," and demographic statistics for the City of East Palo Alto.

Financial Summary Information

This section presents the FY 2026–27 Budget by fund and fund group type, including descriptions of the purpose and function of each budgeted fund, as well as projected fund balance information.

- Summary of Citywide Budget by Fund and Fund Group
- Historical Chart General Fund:
    - Revenues by Major Category
    - Expenditures by Major Category

Departmental Budgets

This section presents the operating budget for all City departments and divisions, including City Council, City Attorney, City Clerk, City Manager, Finance, Community and Economic Development, Public Works, Police, Non-Departmental, and Capital Improvement Funding.

The Departmental Budget section provides financial information by major revenue and expenditure categories. Definitions of the four primary expenditure categories are included in the Glossary.

Local government budgets are organized by fund to ensure restricted resources are properly segregated and accounted for, with each fund functioning as a separate accounting entity. The General Fund serves as the City's primary operating fund and supports essential services provided to the community, including public safety, maintenance, and general government operations.

This section also includes historical trends in revenues and expenditures, as well as General Fund sources and uses. In addition, historical and current staffing information for each department and division is provided, along with departmental organizational charts.

Miscellaneous

This section includes information on major capital project funding, detailed Measure P funding allocations, the FY 2026–27 Appropriations Limit calculation, and the budget adoption resolutions.

Glossary

This section provides definitions generally used in local, county, and state governments.

City of East Palo Alto Strategic Plan

FY 2025-2029 Strategic Priorities and FY 2025-2027 Work Plan

CITY OF EAST PALO ALTO
INCORPORATED 1983

ADOPTED
June 17, 2025

Contents

Introduction

The City of East Palo Alto is a vibrant and diverse community in the heart of Silicon Valley.

Since incorporating as a city in 1983, East Palo Alto has grown into a proud and active community of about 31,500 people. Our strong tradition of civic involvement and community leadership continues to shape our vision for an inclusive and just future.

East Palo Alto celebrates its cultural diversity and is committed to being a welcoming place for all. This Strategic Plan reflects those values, offering a clear path forward based on community input and careful planning.

The Plan focuses on seven main goals—called "Strategic Priorities"—that will guide the City's decisions over the next four years. These priorities help make sure the City's policies, programs, and services meet community needs and that both funding and staff time are focused on the most urgent challenges.

This document outlines the City Council's Strategic Priorities for Fiscal Years (FY) 2025–2029 and includes a detailed **Work Plan for FY 2025–2026 and 2026–2027.** A second two-year work plan will be created later to cover the final years. The priorities and projects in this Plan are grounded in community feedback, budget considerations, and direction from the City Council.

Background to Strategic Planning

Strategic planning is a critical tool for shaping the City's future. It helps identify shared goals, outlines strategies to achieve them, and provides a clear roadmap for implementation. A strong Strategic Plan aligns City departments, clarifies priorities, and creates a shared sense of purpose. It also allows the City to monitor progress over time, make informed adjustments as needed, and maintain transparency with the public.

To ensure that City resources and efforts are focused on the highest community needs, the East Palo Alto City Council engages in a two-part priority-setting process:

1. **Establishing four-year Strategic Priorities** that reflect the long-term goals of the City, and
2. **Developing a two-year Work Plan** that includes specific projects designed to advance those priorities.

Together, these elements make up the City's Strategic Plan. Each project in the Work Plan is tracked over time to measure progress and ensure alignment with the Strategic Priorities.

The Strategic Plan is designed to address the City's most urgent and meaningful community needs while accounting for staffing capacity and budget constraints. The City has local authority over areas such as land use and zoning, public utilities, beautification and greening efforts, code enforcement, and City-maintained roads. However, many other issues fall outside the City's jurisdiction. As a result, the Work Plan focuses limited City resources on a defined set of high-impact priorities that reflect the community's input and values.

Terms and Definitions:

- **Strategic Plan:** A guiding document that sets the City's long-term goals and the strategies to achieve them. Typically covers a 2–5 year timeframe.
- **Strategic Priorities:** Long-term focus areas established by the City Council to guide decision-making over the next four years.
- **Work Plan:** A two-year list of projects and initiatives—beyond routine operations—intended to advance the Strategic Priorities.
- **Projects:** Specific efforts or actions the City takes to carry out the Strategic Priorities.
- **Metrics:** Measurements used to track the status and impact of projects and priorities, including timelines and key performance indicators.

The Strategic Plan Development Process

This Strategic Plan was developed through a collaborative, multi-step process that centered around community input and used data to guide decisions. The City conducted research, worked closely with project managers, and engaged residents and stakeholders to make sure the final priorities and projects reflect what the community said matters most.

Process Highlights

- **Environmental Scan:** Reviewed key City plans and documents, especially those shaped by strong public input.
- **Staff Input:** Gathered ideas and insights from City staff to help assess what's possible based on staffing capacity.
- **Initial Round of Community Engagement:** Collected feedback to shape the first draft of the Strategic Priorities and project ideas:
  - Twelve focus group meetings with community groups and key stakeholders
  - Two pop-up workshops at the EPA Senior Center and Cardenas Supermarket
- **Strategic Planning Workshop/Retreat:** A joint community workshop and City Council retreat held on March 8, 2025 (10am-4pm), to discuss and refine priorities.
- **Draft Development:** Staff analyzed the draft priorities and projects, taking into account staffing, funding, and what's realistically doable.
- **Second Council Study Session:** On April 22, 2025, the City Council reviewed the updated draft with public input and gave further direction.
- **Revisions:** Staff made updates based on feedback from the Council and community.
- **Second Round of Community Engagement:** Shared the draft priorities and Work Plan projects with the public and gathered more input:
  - Pop-up events at the Farmers Market and Cinco de Mayo Festival
  - Online survey with 183 responses in both English and Spanish
  - One in-person and one virtual workshop
  - Additional outreach across the East Palo Alto community for further input and recommendations
- **Third City Council Meeting on June 3, 2025:** City Council reviewed public input and made final refinements.
- **Fourth City Council Meeting on June 17, 2025:** The Council adopted the final Strategic Plan and approved the City budget.

Figure 1—Process Timeline

Summary of Strengths, Issues, and Needs

The City's Strategic Priorities and Work Plan are shaped by an understanding of East Palo Alto's strengths, issues, and needs. Key themes from community members, City Council, and City staff include:

Strengths

- Active and diverse community with a proud history
- Central location on the edge of the Bay
- Abundant natural resources and open space
- Improvements in public safety
- Progressive housing and social policies
- Support for small businesses, entrepreneurs, and economic development
- Strong City partnerships with community nonprofit organizations
- Enhanced transparency and performance in City government
- High levels of civic engagement and community input
- Dedicated and collaborative City staff
- Responsible financial management and strong budget reserves
- Great weather
- Surrounded by communities of wealth with abundant philanthropy
- A community that values self-determination and directs its own future

Issues and Needs

- Housing for various income levels / preventing displacement
- Limited development and need for business growth
- Need for local job opportunities and small business support
- Lack of retail shops, services, and community gathering spaces
- Infrastructure improvements (water, sewer, roads, parks, sidewalks)
- Improved code enforcement and public safety
- Traffic and pedestrian safety
- Environmental (brownfields) clean ups and beautification
- Climate resilience and emergency preparedness
- Strained working relationships among elected officials
- City staff retention, capacity, and workload
- Insufficient City funding and revenue sources

Previous City Priorities: Continuing Projects and Accomplishments

The FY 2025–2027 Work Plan builds on progress made through the City's previous Strategic Priorities. Between FY 2023–2025, the City focused on seven key priorities:

1. Promote Housing, Economic, and Workforce Development
2. Implement the Comprehensive Transportation and Mobility Plan
3. Promote Health and Public Safety
4. Ensure Financial and Organizational Health
5. Improve the City's Water Infrastructure
6. Develop and Implement a Comprehensive Facilities Master Plan
7. Enhance Community Services and Parks for Residents.

By June 30, 2025, the City expects to complete or operationalize 37 of the 93 projects from the FY 2023–2025 Work Plan. The remaining 37 projects will carry forward into the FY 2025–2027 Work Plan.

The new two-year Work Plan continues this momentum. It includes both carryforward projects and new initiatives under each of the updated Strategic Priorities. This approach helps maintain continuity, respond to changing community needs, and make the most of available resources.

Table 1—EPA Strategic Priorities (FY 2023-2025)

Priority	Total	Complete	Operational	In-Progress	On-hold
Priority A: Promote Housing, Economic and Workforce Development	18	6	3	9	0
Priority B: Implement the Comprehensive Transportation and Mobility Plan	18	6	1	11	0
Priority C: Promote Health and Public Safety	15	2	1	12	0
Priority D: Ensure Our Financial and Organizational Health	13	7	2	3	1
Priority E: Improve the City's Water Infrastructure	8	2	1	4	1
Priority F: Develop and Implement a Comprehensive Facilities Master Plan	10	1	0	5	4
Priority G: Enhance Community Services and Parks for Residents	11	1	4	4	2
Total	**93**	**25**	**12**	**48**	**8**

Overview of the FY 2025-2029 Strategic Priorities

Civic Engagement

Provide diverse and inclusive opportunities for all EPA community members to participate in City meetings, have a voice in City affairs, and develop leadership skills for EPA youth.

Comprehensive Housing

Increase the City's housing stock at all income levels (from affordable to market rate), facilitate pathways to homeownership, and prevent displacement of existing residents.

Governance, Organizational Strength, and Fiscal Sustainability

Strengthen the City's internal capacity, transparency, and long-term financial health by improving core operations, investing in workforce and systems, and implementing data-informed strategies to ensure effective service delivery, accountability, and fiscal resilience.

Land Use, Economic and Workforce Development

Support balanced development that attracts investment, strengthens local businesses, reduces economic leakage, and expands access to quality jobs and services that meet local needs.

Parks, Recreation, and Community Facilities

Invest in the modernization and expansion of the City's parks, recreation, and community facilities and services to increase residents' access to open spaces and recreational opportunities.

Public Health, Safety, and Quality of Life

Implement and enforce strategies to ensure public safety, improve the livability of neighborhoods, and prepare the City for disasters and emergencies.

Public Infrastructure and Utilities

Maintain, modernize, and expand the City's physical infrastructure (streets, sidewalks, utilities) to support existing homes and businesses, and new development.

STRATEGIC PRIORITY

Civic Engagement

Provide diverse and inclusive opportunities for all EPA community members to participate in City meetings, have a voice in City affairs, and develop leadership skills for EPA youth.

NEW PROJECTS 1 | CARRYFORWARD PROJECTS 1

Carryforward projects have a "➜". New projects have a "✚"

CIV-1. ➜ Develop Recommendations for Establishing a Youth Commission or Alternative Youth Civic Engagement Program

CIV-2. ✚ Implement Sister City and Cultural Exchange Initiative

Photo Credit: Treasured Visions.

STRATEGIC PRIORITY

Comprehensive Housing

Increase the City's housing stock at all income levels (from affordable to market rate), facilitate pathways to homeownership, and guard against the displacement of existing residents.

NEW PROJECTS 5 | CARRYFORWARD PROJECTS 3

Carryforward projects have a "➜". New projects have a "✚"

CH-1. ➜ Complete Construction of 965 Weeks/Colibri Commons

CH-2. ✚ Develop and Launch Home Repair Program

CH-3. ➜ Establish Rent Registry for Both Rent-Stabilized and Market-Rate Rental Units

CH-4. ✚ Research Feasibility of a Financial Empowerment and Foreclosure Prevention Program

CH-5. ✚ Research Feasibility of a First-Time Homebuyer Assistance Program

CH-6. ✚ Research Feasibility of a Residential Rental Inspection Program

CH-7. ✚ Update the Inclusionary Housing Ordinance

CH-8. ➜ Update the Zoning Code

STRATEGIC PRIORITY

Governance, Organizational Strength, and Fiscal Sustainability

Strengthen the City's internal capacity, transparency, and long-term financial health by improving core operations, investing in workforce and systems, and implementing data-informed strategies to ensure effective service delivery, accountability, and fiscal resilience.

NEW PROJECTS 5 | CARRYFORWARD PROJECTS 3

Carryforward projects have a "➔". New projects have a "✚"

- GOV-1. ➔ Collaborate with the SMC Libraries to Identify and Implement a Comprehensive Funding Strategy for Library Construction
- GOV-2. ✚ Conduct Council Term Limit Policy Research
- GOV-3. ✚ Develop a 10-Year Fiscal Strategy and Address the Structural Deficit
- GOV-4. ➔ Develop a Citywide Information Systems Master Plan
- GOV-5. ✚ Implement a Centralized Grants Management System
- GOV-6. ✚ Prepare 2026 Ballot Measure to Raise Revenue for Infrastructure Improvements and Public Facilities
- GOV-7. ➔ Update the City's Personnel Policies and Procedures
- GOV-8. ✚ Upgrade and Launch New City Website

STRATEGIC PRIORITY

Land Use, Economic and Workforce Development

Support balanced development that attracts investment, strengthens local businesses, and expands access to quality jobs and services that meet local needs.

CARRYFORWARD PROJECTS 5

Carryforward projects have a "➔". New projects have a "✚"

LU-1. ➔ Conclude Measure HH Pilot Evaluation and Initiate Ongoing Workforce Development Program

LU-2. ➔ Create an Economic Development Strategic Plan Focusing on Small and Micro Businesses

LU-3. ➔ Design and Implement a "Pop-Up"/ Sidewalk Vending Policy and Program

LU-4. ➔ Implement Program to Distribute Community Resource Funds Grants for Small Business Assistance

LU-5. ➔ Renovate the Cummings Loft Property into a Small Business Incubator

STRATEGIC PRIORITY

Parks, Recreation, and Community Facilities

Invest in the modernization and expansion of the City's parks, recreation, and community facilities and services to increase residents' access to open spaces and recreational opportunities.

NEW PROJECTS 5 | CARRYFORWARD PROJECTS 6

Carryforward projects have a "➔". New projects have a "✚"

PR-1. ➔ Complete Construction of Tenant Improvements at City Facilities

PR-2. ✚ Conduct a Comprehensive Evaluation of Senior Service Agreements in East Palo Alto

PR-3. ➔ Construct Access Improvements at Rutgers Street Entrance to the Bay Trail

PR-4. ➔ Create a Pilot Dog Park

PR-5. ➔ Establish a Joint Use Agreement with RCSD for Shared Recreation Sites

PR-6. ✚ Expand EPACENTER Services and Programs Through City Funding

PR-7. ➔ Finalize Architectural Design for the New East Palo Alto Library

PR-8. ✚ Implement Priority Projects from the Parks, Recreation and Open Space Master Plan

PR-9. ➔ Negotiate with County to Finalize Acquisition of Beech Street Property

PR-10. ✚ Plan for Development of New Civic Center Facility

PR-11. ✚ Expand Access to YMCA Programming and Services for the Greater East Palo Alto Community.

STRATEGIC PRIORITY

Public Health, Safety, and Quality of Life

Implement and enforce strategies to ensure public safety, improve the livability of neighborhoods, and prepare the City for disasters and emergencies.

NEW PROJECTS 4 | CARRYFORWARD PROJECTS 5

Carryforward projects have a "➜". New projects have a "✚"

PH-1. ✚ Expand Parking Enforcement Capacity

PH-2. ➜ Implement a Crime Data Analytics Platform for the Police Department

PH-3. ✚ Implement a Shopping Cart Abatement Program

PH-4. ➜ Launch a Residential Parking Permit Program

PH-5. ✚ Launch Emergency Preparedness Program

PH-6. ✚ Maintain Senior/Disabled Individuals' Emergency Contact Database

PH-7. ➜ Strengthen the Clean City Program to Reduce Illegal Dumping

PH-8. ➜ Update the Environmental Justice Element of the General Plan

PH-9. ➜ Update the Safety Element of the General Plan

STRATEGIC PRIORITY

Public Infrastructure and Utilities

Maintain, modernize, and expand the City's physical infrastructure (streets, sidewalks, utilities) to support existing homes and businesses, and new development.

NEW PROJECTS 2 | CARRYFORWARD PROJECTS 14

Carryforward projects have a "➜". New projects have a "+"

- PI-1. ➜ Assess Utility Operations and Prepare Transition Plan for Post-Lease Operations
- PI-2. ➜ Build Sidewalk and Pedestrian Safety Improvements on East Bayshore Road
- PI-3. ➜ Collaborate with City of Palo Alto to Replace the Newell Street Bridge
- PI-4. ➜ Collaborate with SFCJPA to Construct San Francisquito Creek Flood Protection Upgrades
- PI-5. ➜ Collaborate with SFCJPA to Implement the SAFER Bay Project
- PI-6. ➜ Conduct a Siting Study to Identify Locations for Additional Water Storage Tanks
- PI-7. ➜ Construct a Bicycle and Pedestrian Overcrossing on University Avenue at US 101
- PI-8. ➜ Construct Full Trash Capture Devices to Meet Stormwater Compliance Requirements
- PI-9. ➜ Construct Mini Roundabouts to Replace Temporary Traffic Circles on Pulgas Avenue
- PI-10. ➜ Create a Financing Strategy for Water Infrastructure Upgrades
- PI-11. ➜ Design Roadway Improvements on Woodland Avenue
- PI-12. ➜ Develop an Asset Management Database
- PI-13. + Develop Citywide Sewer Infrastructure Master Plan
- PI-14. + Install Citywide Lighting Improvements - Phase II
- PI-15. ➜ Install New Traffic Signal and Complete Safety Upgrades on University Avenue at Runnymede
- PI-16. ➜ Modernize Equipment and Complete Rehabilitation of the O'Connor Pump Station

Photo Credit: Climate Resilient Communities.

ADOPTED
June 17, 2025

PREPARED BY raimi+ associates

City Council Strategic Priorities FY 2025-27 Work Plan

This work plan details the new and ongoing City projects for fiscal years 2025-2026 and 2026-2027 and categorizes them into different priorities detailed below. See the example project key for how to read the work plan. See the division key for division abbreviations.

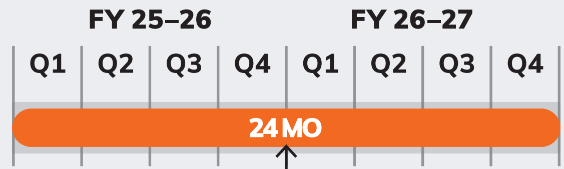
EXAMPLE PROJECT KEY—*Fiscal years (FY) are July 1–June 30*

Project Name. *New projects have a "✚". Carryforward projects have a "➜".*

City Division Lead

✚ **Upgrade and Launch New City Website** *(City Clerk)*
Upgrade the City's website to be more user-friendly, mobile-accessible, and easier to navigate.

Project Description



Project Start and Duration

CITY DEPARTMENT/ DIVISION KEY

CEDD-Building: Community and Economic Development Department-Building Division

CEDD-Housing: Community and Economic Development Department-Housing Division

CEDD-Planning: Community and Economic Development Department-Planning Division

CEDD-RSP: Community and Economic Development Department-Rent Stabilization Program

City Clerk

CMO-Admin: City Manager's Office-Administration

CMO-CS: City Manager's Office-Community Services and Recreation

CMO-HR: City Manager's Office-Human Resources

CMO-IT: City Manager's Office-Information Technology

Finance

Police

PW-Eng: Public Works-Engineering

PW-Env: Public Works-Environment and Sustainability

PW-Main: Operations and Maintenance

FY 2025-29 STRATEGIC PRIORITIES

Civic Engagement
Provide diverse and inclusive opportunities for all EPA community members to participate in City meetings, have a voice in City affairs, and develop leadership skills for EPA youth.

Comprehensive Housing
Increase the City's housing stock at all income levels (from affordable to market rate), facilitate pathways to homeownership, and prevent displacement of existing residents.

Governance, Organizational Strength, and Fiscal Sustainability
Strengthen the City's internal capacity, transparency, and long-term financial health by improving core operations, investing in workforce and systems, and implementing data-informed strategies to ensure effective service delivery, accountability, and fiscal resilience.

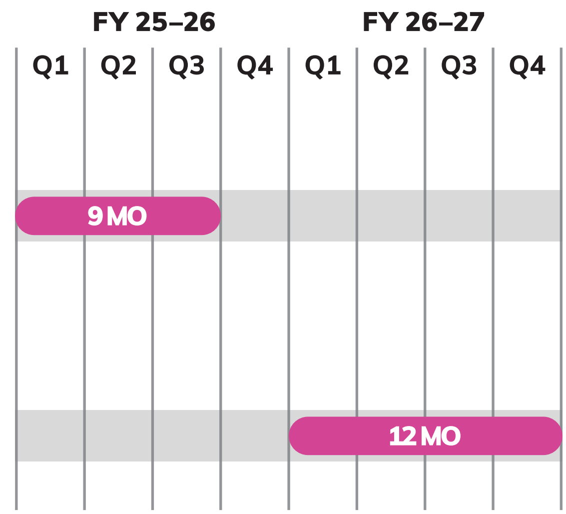
Land Use, Economic and Workforce Development
Support balanced development that attracts investment, strengthens local businesses, reduces economic leakage, and expands access to quality jobs and services that meet local needs.

Parks, Recreation, and Community Facilities
Invest in the modernization and expansion of the City's parks, recreation, and community facilities and services to increase residents' access to open spaces and recreational opportunities.

Public Health, Safety, and Quality of Life
Implement and enforce strategies to ensure public safety, improve the livability of neighborhoods, and prepare the City for disasters and emergencies.

Public Infrastructure and Utilities
Maintain, modernize, and expand the City's physical infrastructure (streets, sidewalks, utilities) to support the existing homes and businesses as well as new development.

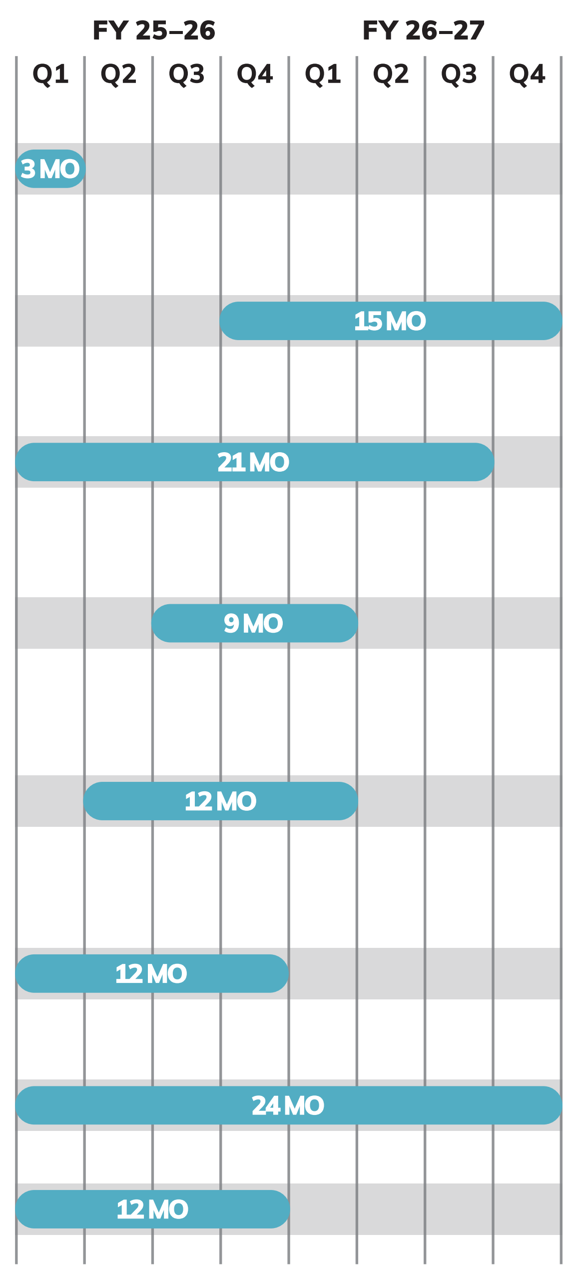
CIVIC ENGAGEMENT



CIV-1. ➜ Develop Recommendations for Establishing a Youth Commission or Alternative Youth Civic Engagement Program *(CMO-CS)*
Enhance the existing process to establish a Youth Commission, expanding it to include diverse youth civic engagement opportunities and pathways for youth from all backgrounds to participate in City government via internships, civic leadership training, and mentorship.

CIV-2. ✚ Implement Sister City and Cultural Exchange Initiative *(City Clerk)*
Formalize a sister city relationship with a city in the Kingdom of Tonga, including cultural exchanges and shared events, to foster long-term relationships and cultural, educational, and civic exchanges.

COMPREHENSIVE HOUSING



CH-1. ➜ Complete Construction of 965 Weeks/Colibri Commons *(CEDD-Building)*
Support the final construction activities and project closeout for Colibri Commons, creating 136 affordable housing units.

CH-2. ✚ Develop and Launch Home Repair Program *(CEDD-Housing)*
Offer grants or loans for home repairs to qualifying low-income residents.

CH-3. ➜ Establish Rent Registry for Both Rent-Stabilized and Market-Rate Rental Units *(CEDD-RSP)*
Launch a new Rent Registry system to register and track all rental units in East Palo Alto, promoting transparency and rental stability.

CH-4. ✚ Research Feasibility of a Financial Empowerment and Foreclosure Prevention Program *(CEDD-Housing)*
Conduct research and internal analysis to assess the feasibility of creating a foreclosure prevention fund to support homeowners at risk of losing their homes.

CH-5. ✚ Research Feasibility of a First-Time Homebuyer Assistance Program *(CEDD-Housing)*
Research and assess down payment assistance models for eligible first-time homebuyers.

CH-6. ✚ Research Feasibility of a Residential Rental Inspection Program *(CEDD-Building)*
Assess the feasibility of establishing a systematic rental inspection program to ensure safety, habitability, and compliance with health and building codes across residential rental properties.

CH-7. ✚ Update the Inclusionary Housing Ordinance *(CEDD-Housing)*
Amend the Inclusionary Housing Ordinance to reduce constraints.

CH-8. ➜ Update the Zoning Code *(CEDD-Planning)*
Complete updates to the City's zoning code to comply with State housing requirements and streamline development review processes.

GOVERNANCE, ORGANIZATIONAL STRENGTH, AND FISCAL SUSTAINABILITY

	FY 25–26				FY 26–27			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GOV-1. ➔ Collaborate with the SMC Libraries to Identify and Implement a Comprehensive Funding Strategy for Library Construction *(CMO-Admin)* Pursue partnerships and fundraising strategies with San Mateo County Libraries, securing full funding for library construction.	24 MO	24 MO	24 MO	24 MO	24 MO	24 MO	24 MO	24 MO
GOV-2. ✚ Conduct Council Term Limit Policy Research *(City Clerk)* Analyze how other cities use term limits for elected officials and present options to City Council.		12 MO	12 MO	12 MO	12 MO			
GOV-3. ✚ Develop a 10-Year Fiscal Strategy and Address the Structural Deficit *(Finance)* Develop a strategy to reduce the City's budget deficit and keep services funded long term.	9 MO	9 MO	9 MO					
GOV-4. ➔ Develop a Citywide Information Systems Master Plan *(CMO-IT)* Create a long-term strategic plan for City technology investments, heightened cybersecurity, and infrastructure upgrades.	12 MO	12 MO	12 MO	12 MO				
GOV-5. ✚ Implement a Centralized Grants Management System *(Finance)* Bring in a new system to manage the grants the City applies for and awards to community partners.					6 MO	6 MO		
GOV-6. ✚ Prepare 2026 Ballot Measure to Raise Revenue for Infrastructure Improvements and Public Facilities *(CMO-Admin)* Begin the public process of exploring a future bond measure to fund unfunded infrastructure and buildings.	18 MO	18 MO	18 MO	18 MO	18 MO	18 MO		
GOV-7. ➔ Update the City's Personnel Policies and Procedures *(CMO-HR)* Update the City's Personnel Policies to align with best practices, support labor relations, and improve Human Resources management.			18 MO	18 MO	18 MO	18 MO	18 MO	18 MO
GOV-8. ✚ Upgrade and Launch New City Website *(City Clerk)* Upgrade the City's website to be more user-friendly, mobile-accessible, and easier to navigate.	24 MO	24 MO	24 MO	24 MO	24 MO	24 MO	24 MO	24 MO

LAND USE, ECONOMIC AND WORKFORCE DEVELOPMENT

	FY 25–26				FY 26–27			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
LU-1. ➔ Conclude Measure HH Pilot Evaluation and Initiate Ongoing Workforce Development Program *(CEDD-Housing)* Complete an evaluation of the Measure HH Pilot Workforce Development Program to assess impact and guide future workforce investments.	24 MO	24 MO	24 MO	24 MO	24 MO	24 MO	24 MO	24 MO
LU-2. ➔ Create an Economic Development Strategic Plan Focusing on Small and Micro Businesses *(CMO-Admin)* Develop an Economic Development Strategy aimed at supporting small and micro businesses to grow local jobs and services.	6 MO	6 MO						
LU-3. ➔ Design and Implement a "Pop-Up"/Sidewalk Vending Policy and Program *(CMO-Admin)* Develop regulations and a program for immobile sidewalk vendors, supporting equitable entrepreneurship while protecting health and safety.	6 MO	6 MO						

Continues on following page;

Continued from previous page.

	FY 25–26				FY 26–27			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

LU-4. ➜ Implement Program to Distribute Community Resource Funds Grants for Small Business Assistance *(CMO-Admin)*
Distribute grant funding to support assistance to small businesses.
18 MO

LU-5. ➜ Renovate the Cummings Loft Property into a Small Business Incubator *(PW-Eng)*
Renovate the City-owned Cummings Loft property, creating an incubator space for local entrepreneurs and startups.
15 MO

PARKS, RECREATION, AND COMMUNITY FACILITIES

	FY 25–26				FY 26–27			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

PR-1. ➜ Complete Construction of Tenant Improvements at City Facilities *(PW-Eng)*
Perform facility improvements at the police station as well as the Tate Street office building.
12 MO

PR-2. ✚ Conduct a Comprehensive Evaluation of Senior Service Agreements in East Palo Alto *(CMO-CS)*
Review the current service levels of operations for the older adult community and use the Age Friendly Action Plan to develop a roadmap for improvements.
15 MO

PR-3. ➜ Construct Access Improvements at Rutgers Street Entrance to the Bay Trail *(PW-Eng)*
Complete improvements to open a pedestrian access point to the Bay Trail at Rutgers Street, expanding recreational access for residents.
6 MO

PR-4. ➜ Create a Pilot Dog Park *(CMO-CS)*
Establish a pilot dog park at an existing park site.
15 MO

PR-5. ➜ Establish a Joint Use Agreement with RCSD for Shared Recreation Sites *(CMO-CS)*
Pursue shared use agreements with local schools, increasing community access to recreational facilities.
12 MO

PR-6. ✚ Expand EPACENTER Services and Programs Through City Funding *(CMO-CS)*
Fund new or expanded programs at EPACENTER, increasing access to the arts for the East Palo Alto community.
24 MO

PR-7. ➜ Finalize Architectural Design for the New East Palo Alto Library *(PW-Eng)*
Finalize the design plans for the new East Palo Alto library, providing modern spaces for learning, technology access, and community programming.
18 MO

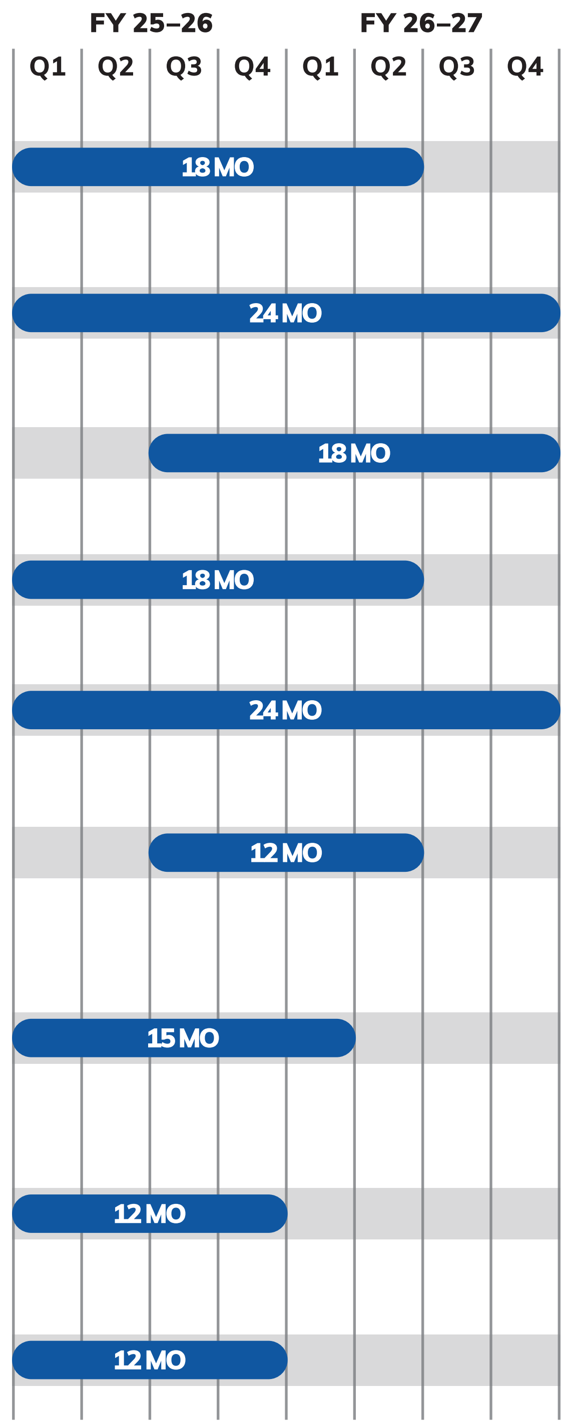
PR-8. ✚ Implement Priority Projects from the Parks, Recreation and Open Space Master Plan *(CMO-CS)*
Construct small-scale, visible park improvements such as benches, landscaping, and signage.
24 MO

PR-9. ➜ Negotiate with County to Finalize Acquisition of Beech Street Property *(CMO-Admin)*
Continue negotiations to acquire County-owned property on Beech Street for future park expansion or community use.
6 MO

PR-10. ✚ Plan for Development of New Civic Center Facility *(CMO-Admin)*
Determine funding and begin planning for a new civic center that brings together a new larger library, city hall, police department offices, and park including track and field.
18 MO

PR-11. ✚ Expand Access to YMCA Programming and Services for the Greater East Palo Alto Community *(CMO-CS)*
Collaborate with the YMCA to increase accessibility to recreation services for East Palo Alto residents who may otherwise be unable to participate.
24 MO

PUBLIC HEALTH, SAFETY, AND QUALITY OF LIFE



PH-1. ✚ Expand Parking Enforcement Capacity *(Police)*
Increase resources to enforce parking rules across the City, addressing blocked driveways and long-term vehicle storage on public streets.

PH-2. ➜ Implement a Crime Data Analytics Platform for the Police Department *(Police)*
Expand the Police Department's ability to analyze crime, traffic, and community safety trends to inform public safety initiatives.

PH-3. ✚ Implement a Shopping Cart Abatement Program *(CMO-Admin)*
Create a program to remove and prevent abandoned shopping carts across town.

PH-4. ➜ Launch a Residential Parking Permit Program *(PW-Eng)*
Implement a pilot parking permit program to manage parking availability and reduce congestion.

PH-5. ✚ Launch Emergency Preparedness Program *(CMO-Admin)*
Update the City's emergency operations plan, enhance communication systems, and provide training to staff and residents.

PH-6. ✚ Maintain Senior/Disabled Individuals' Emergency Contact Database *(CMO-CS)*
Improve and expand the City's emergency contact list for seniors and people with disabilities.

PH-7. ➜ Strengthen the Clean City Program to Reduce Illegal Dumping *(PW-Env)*
Expand the City's Clean City Program with new enforcement and education strategies to reduce illegal dumping and improve community cleanliness.

PH-8. ➜ Update the Environmental Justice Element of the General Plan *(CEDD-Planning)*
Complete the Environmental Justice Element update to strengthen policies addressing health disparities and environmental burdens.

PH-9. ➜ Update the Safety Element of the General Plan *(CEDD-Planning)*
Complete the Safety Element update to align with modern risks and community priorities, enhancing the City's resilience to natural hazards.

PUBLIC INFRASTRUCTURE AND UTILITIES

FY 25–26: Q1 | Q2 | Q3 | Q4 — FY 26–27: Q1 | Q2 | Q3 | Q4

PI-1. ➜ Assess Utility Operations and Prepare Transition Plan for Post-Lease Operations *(CMO-Admin)*
Evaluate options for managing water, sewer, and solid waste utilities to ensure their long-term sustainability after their contracts expire.
Timeline: 24 MO

PI-2. ➜ Build Sidewalk and Pedestrian Safety Improvements on East Bayshore Road *(PW-Eng)*
Build new sidewalks along East Bayshore Road, enhancing pedestrian safety, ADA accessibility, and multimodal connectivity.
Timeline: 15 MO

PI-3. ➜ Collaborate with City of Palo Alto to Replace the Newell Street Bridge *(PW-Eng)*
Coordinate with Palo Alto to replace the Newell Street Bridge, improving flood protection and traffic safety between the cities.
Timeline: 24 MO

PI-4. ➜ Collaborate with SFCJPA to Construct San Francisquito Creek Flood Protection Upgrades *(PW-Eng)*
Continue collaboration with the San Francisquito Creek Joint Powers Authority to enhance flood protection for residents and businesses.
Timeline: 24 MO

PI-5. ➜ Collaborate with SFCJPA to Implement the SAFER Bay Project *(PW-Eng)*
Advance the SAFER Bay Project design to protect the community from tidal flooding and sea level rise impacts.
Timeline: 24 MO

PI-6. ➜ Conduct a Siting Study to Identify Locations for Additional Water Storage Tanks *(PW-Eng)*
Assess and identify suitable sites for new water storage facilities, enhancing emergency and drought resilience.
Timeline: 9 MO

PI-7. ➜ Construct a Bicycle and Pedestrian Overcrossing on University Avenue at US 101 *(PW-Eng)*
Complete construction of a new overcrossing, improving safe pedestrian and bicycle access across University Avenue.
Timeline: 9 MO

PI-8. ➜ Construct Full Trash Capture Devices to Meet Stormwater Compliance Requirements *(PW-Eng)*
Install trash capture devices in the stormwater system to comply with State mandates and reduce pollution in local waterways.
Timeline: 9 MO

PI-9. ➜ Construct Mini Roundabouts to Replace Temporary Traffic Circles on Pulgas Avenue *(PW-Eng)*
Replace temporary traffic circles with permanent mini roundabouts, improving intersection safety and traffic management.
Timeline: 12 MO

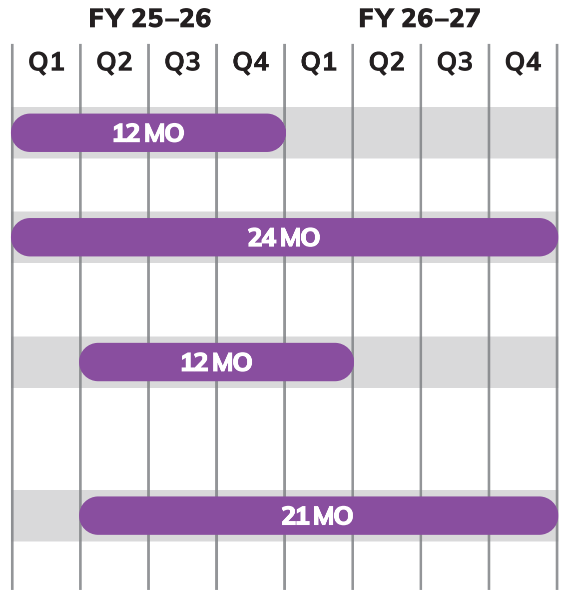
PI-10. ➜ Create a Financing Strategy for Water Infrastructure Upgrades *(Finance)*
Create a financing strategy for major water infrastructure improvements, leveraging grants and ratepayer resources.
Timeline: 15 MO

PI-11. ➜ Design Roadway Improvements on Woodland Avenue *(PW-Eng)*
Design comprehensive roadway improvements on Woodland Avenue from University Avenue to Newell Road.
Timeline: ON HOLD

PI-12. ➜ Develop an Asset Management Database *(PW-Main)*
Continue development of a database encompassing all City-owned infrastructure to improve asset tracking and long-term maintenance planning.
Timeline: 15 MO

Continues on following page;

Continued from previous page.



PI-13. + Develop Citywide Sewer Infrastructure Master Plan *(PW-Eng)*
Assess the current condition of the sewer system and create a long-term plan for replacements and repairs.

PI-14. + Install Citywide Lighting Improvements - Phase II *(PW-Eng)*
Finish installing new streetlights and begin the next multi-year phase.

PI-15. → Install New Traffic Signal and Complete Safety Upgrades on University Avenue at Runnymede *(PW-Eng)*
Upgrade the University Avenue/Runnymede Street intersection with traffic signal and pedestrian enhancements.

PI-16. → Modernize Equipment and Complete Rehabilitation of the O'Connor Pump Station *(PW-Eng)*
Upgrade the O'Connor Pump Station's engines and electrical systems, improving stormwater management capacity.

GET IN TOUCH

Contact us through one of the methods below.

cmoffice@cityofepa.org

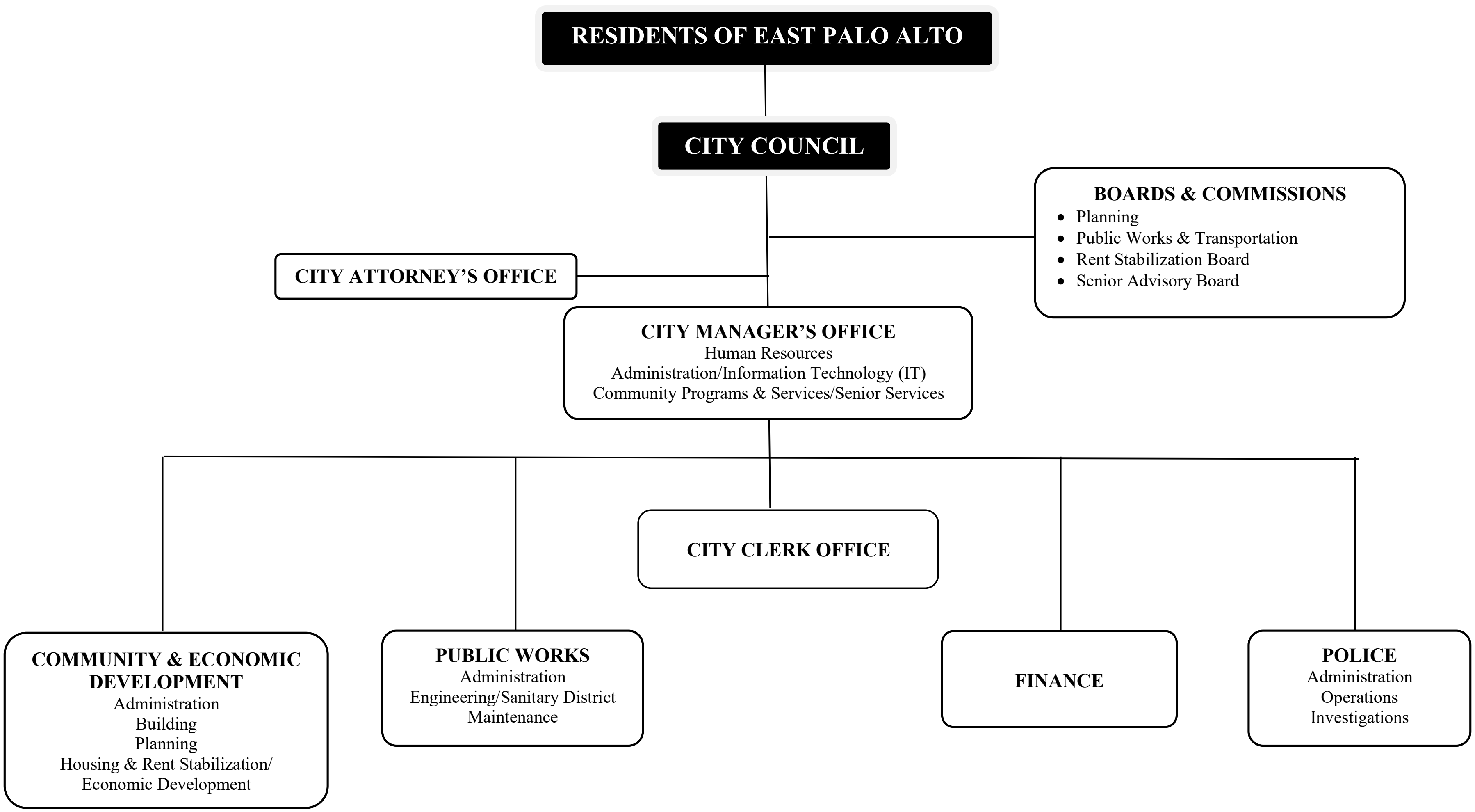
cityofepa.org

2415 University Avenue, East Palo Alto, CA 94303

650-853-3100

This Page Intentionally Left Blank

CITY OF EAST PALO ALTO
CITY ORGANIZATIONAL CHART
FY 2026-2027 Budget



This Page Intentionally Left Blank

CITY OF EAST PALO ALTO
NINE-YEAR POSITION SUMMARY

FY 2018-19 to FY 2026-27

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24*	FY 24-25*	FY 25-26*	FY 26-27*
Policy & Executive									
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Clerk's Office	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
City Attorney's Office	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
City Manager's Office	3.00	3.00	3.00	4.00	4.00	5.00	6.00	7.00	7.00
City Manager - Human Resources	-	-	2.00	2.00	2.00	2.00	2.00	4.00	4.00
City Manager - Rent Stabilization	-	-	-	-	-	-	-	-	-
City Manager - Community Programs	-	-	-	-	-	-	5.70	5.70	5.70
Sub-Total	**12.00**	**12.00**	**14.00**	**15.00**	**15.00**	**17.00**	**23.70**	**26.70**	**26.70**
Administrative Support Services									
Finance Department	6.00	7.00	7.00	6.00	7.00	7.00	7.00	8.00	8.00
Administrative Services Admin	3.00	3.00	3.00	3.00	2.00	-	-	-	-
Community Services Division	4.15	4.15	3.65	5.15	5.15	5.15	-	-	-
Human Resources	2.00	2.00	-	-	-	-	-	-	-
Sub-Total	**15.15**	**16.15**	**13.65**	**14.15**	**14.15**	**12.15**	**7.00**	**8.00**	**8.00**
Community and Economic Development									
Administration Division	6.45	6.45	3.50	4.00	4.00	4.00	4.00	4.00	4.00
Building Services Division	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Planning Division	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Housing/Economic Division	3.00	3.00	3.00	4.00	4.00	4.00	4.00	5.00	5.00
Senior Services Division	-	-	-	-	-	-	-	-	-
Sub-Total	**20.45**	**20.45**	**17.50**	**19.00**	**20.00**	**20.00**	**20.00**	**21.00**	**21.00**
Public Safety									
Administration Division	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Investigations Division	8.25	11.15	11.15	11.15	12.25	11.25	6.45	6.00	6.00
Operations Division	29.00	27.00	28.00	28.00	29.35	30.35	34.80	34.80	34.80
Sub-Total	**46.25**	**47.15**	**48.15**	**48.15**	**50.60**	**50.60**	**50.25**	**49.80**	**49.80**
Public Works									
Administration Division	2.00	2.00	4.50	4.45	4.45	4.45	4.45	4.45	4.45
Engineering Division	5.00	5.00	3.75	5.00	5.00	5.25	6.00	7.00	7.46
Maintenance Division	12.00	12.00	12.00	12.00	12.00	12.00	12.00	13.00	13.00
Sub-Total	**19.00**	**19.00**	**20.25**	**21.45**	**21.45**	**21.70**	**22.45**	**24.45**	**24.91**
TOTAL POSITIONS	**112.85**	**114.75**	**113.55**	**117.75**	**121.20**	**121.45**	**123.40**	**129.95**	**130.41**

*Beginning with FY 2023–24, Position Summary includes limited-term positions.

This Page Intentionally Left Blank

CITY OF EAST PALO ALTO
Detail Position Listing

		FY 2026-27
City Council		
a.	Council Member	**5.00**
City Attorney's Office		
a.	City Attorney/District Counsel	1.00
b.	Deputy City Attorney I/II	1.00
c.	Paralegal	1.00
		3.00
City Manager's Office		
Admininistration		
a.	City Manager/General Manager	1.00
b.	Assistant City Manager/Assistant General Manager	1.00
c.	Assistant to the City Manager	2.00
d.	Information Technology (IT) Manager	1.00
e.	Information Technology (IT) Specialist I/II	1.00
f.	Executive Assist. to City Mgr	1.00
		7.00
Human Resources Division		
a.	Human Resources Manager	1.00
b.	Human Resources Technician I/II	1.00
c.	Management Analyst I/II Ltd[2]	1.00
d.	Human Resources Technician I/II Ltd[2]	1.00
		4.00
Community Services Division		
a.	Community Services Manager	1.00
b.	Community Services Supervisor[1]	1.00
c.	Recreation Leader II (1 FTE, 1 PT)	1.45
d.	Van Driver (2 PT)	1.00
e.	Nutrition Site Supervisor (1 PT)	0.75
f.	Kitchen Aide (1 PT)	0.50
		5.70
City Clerk's Office		
a.	City Clerk - Public Information Officer (PIO)	1.00
b.	Assistant City Clerk[1]	1.00
		2.00
Finance		
a.	Finance Director/District Treasurer	1.00
b.	Financial Services Manager	1.00
c.	Accountant Senior	2.00
d.	Accountant I	1.00
e.	Accounting Technician I/II	1.00
f.	Grant Coordinator	1.00
g.	Senior Accounting Technician	1.00
		8.00
Community and Economic Development		
Administration Division		
a.	Community & Economic Dev Director	1.00
b.	Management Analyst I/II	1.00
c.	Secretary I/II	1.00
d.	Office Assistant	1.00
		4.00
Building Services Division		
a.	Chief Building Official	1.00
b.	Building Inspector I/II	1.00
c.	Building Permit Technician	2.00
d.	Bldg Inspector/Neighborhood Preserv Officer I/II	1.00
e.	Neighborhood Preservation Officer I/II	2.00
		7.00
Housing/Econ Division		
a.	Housing & Econ Dev Manager	1.00
b.	Housing Project Manager	1.00
c.	Housing Specialist I Ltd[2]	1.00
d.	RSP Administrator	1.00
e.	RSP Coordinator I/II	1.00
		5.00

		FY 2026-27
Community and Economic Development (Cont'd)		
Planning Division		
a.	Planning Manager	1.00
b.	Senior Planner	1.00
c.	Assistant/Associate Planner	2.00
d.	Planning Technician	1.00
		5.00
Public Works		
Administration Division		
a.	Public Works Director/District Engineer	1.00
b.	Administrative Assistant	1.00
c.	Management Analyst I/II	1.00
d.	Environmental Service Aide	1.45
		4.45
Engineering Division		
a.	City Engineer	1.00
b.	Utility Manager	1.00
c.	Senior Engineer	1.00
d.	Assistant/Associate Engineer	2.00
e.	Public Works Supervisor	1.00
f	Administrative Assistant	1.00
g.	Special Project Manager Ltd[2]	0.46
		7.46
Maintenance Division		
a.	Maintenance Manager	1.00
b.	Maintenance Worker I	4.00
c.	Maintenance Worker II	5.00
d.	Maintenance Worker III	2.00
e.	Secretary I	1.00
		13.00
Police		
Administration Division		
a.	Police Chief	1.00
b.	Support Services Manager	1.00
c.	Police Records Supervisor	1.00
d.	Police Record's Clerk I/II	4.00
e.	Property & Evidence Technician	1.00
f.	Management Analyst II Ltd[2]	1.00
		9.00
Investigations Division		
a.	Captain	1.00
b.	Police Officer	4.00
c.	Police Sergeant	1.00
		6.00
Operations Division		
a.	Captain	1.00
b.	Police Sergeant	4.00
c.	Police Officer	24.00
d.	Community Services Officer	4.00
e.	Community Services Officer (4 PT)	1.80
		34.80
	Total Authorized FTE's	**130.41**

[1] Position title change.

[2] Limited term employees.

This Page Intentionally Left Blank

East Palo Alto at a Glance

ABOUT EAST PALO ALTO

The City of East Palo Alto is in the heart of the Silicon Valley and is uniquely positioned to maximize its potential as a significant city in the region. Founded by speculators and farmers in 1849, the town was originally named Ravenswood. For most of its history, the area regarded as East Palo Alto was 13 square miles and part of unincorporated San Mateo County. As such, it did not have an official boundary until it incorporated in 1983. However, the area was much larger than the City's current 2.5 square miles. Large tracts of land were annexed by surrounding cities from the late 1940's to the early 1960's. This trend ended in 1983 when the residents incorporated to gain local control over land use and municipal services.

The original inhabitants were Ohlone/Costanoan Native Americans. Spanish ranchers took over, followed by an influx of speculators and settlers of European origin. For a time, Asian and Italian flower growers preceded the flood of middle-class migrants drawn to post-war housing developments. East Palo Alto later became the largest African American community on the Peninsula. Today, due to significant demographic changes during the last decade, the City possesses a broad multi-ethnic profile that includes a majority Latino and growing Pacific Island population.

Trade has alternately focused on ranching, transportation and shipping, brick manufacturing, farming, servicing travelers of Bayshore Highway and Dumbarton Bridge, and flower growing. At present there is a mix of industrial, agricultural, and commercial businesses.

The signs of continuing and rapid transition are evident; and none more so than the rapid changes brought about by proximity to the most successful businesses in Silicon Valley. However, some things have remained constant, namely the characteristics that have always attracted people to the area: multi-cultural acceptance; a beautiful, rural-like setting; centralized location; proximity to transportation and the San Francisco Bay; as well as some of the most enviable weather in the nation.

Today, the City of East Palo Alto is closer than ever to realizing its potential. As the City continues to make progress and become more self-sufficient, there is evidence that East Palo Alto will be able to strike a harmonious balance between a goal of establishing a sound commercial base and the dream of an idyllic and welcoming community.

CITY GEOGRAPHY

The City of East Palo Alto is located approximately 29 miles south of San Francisco and 19 miles north of San Jose. The City occupies 2.5 square miles. The latest estimates place the City's population at 29,133.

CITY AUTHORITY

The City of East Palo Alto is a general law city under California State law and its rights, powers, privileges, authority, and functions are established through the State constitution and the State Law. The powers granted to California cities by state statute include the power to: sue and be sued; purchase, receive by gift or bequest and hold land, make contracts and purchases and hold personal property necessary to the exercise of its powers, manage, sell, lease, or otherwise dispose of its property as the interest of its inhabitants require; levy and collect taxes authorized by law and exercise such other and further powers as may be especially conferred by law or as may be necessarily implied from those expressed.

East Palo Alto is a General Law Council/ Manager City governed by a five-member City Council with a Council elected Mayor. The City incorporated July 1, 1983.

The City provides a range of services to its residents including public protection through the Police Department, the construction and maintenance of streets and infrastructure, community and economic development affordable housing programs, financial management, and administrative and community services.

THE CITY COUNCIL

The members of the City Council are elected by the voters to serve overlapping four-year terms. The Mayor is elected by, and from, the City Council for a one-year term. The City Council sets policy and exercises the legislative authority of the City. By City Ordinance, the City Council holds meetings on the first and third Tuesdays of every month and at other times as, in the opinion of the City Council, the public interest may require.

The current City Council members and the dates upon which their respective terms expire are as follows:

Mayor:	Webster Lincoln	Nov. 2028
Vice Mayor:	Ruben Abrica	Nov. 2026
Council Member:	Martha Barragan	Nov. 2026
Council Member:	Mark Dinan	Nov. 2028
Council Member:	Carlos Romero	Nov. 2028

ADMINISTRATION AND MANAGEMENT

East Palo Alto is a Council-Manager form of government. The City Council appoints the City Attorney and the City Manager. The City Manager appoints all other City employees and is charged with overseeing the City's daily operations. Many boards, commissions, and committees assist the City Council and Administration in carrying out various aspects and functions of city government.

Demographic Information

Land Area: 2.5 square miles

Population[i]

1990	23,570
2000	29,506
2005	29,431
2010	28,155
2015	29,137
2020	30,034
2025 Projected	29,296

Population by Gender [i]

Female	52.1%
Male	47.9%

Population by Age Group [i]

Under 5 years	5.8%
5 to 9 years	4.6%
10 to 14 years	5.5%
15 to 19 years	7.6%
20 to 24 years	7.7%
25 to 29 years	9.3%
30 to 34 years	8.2%
35 to 39 years	6.4%
40 to 44 years	9.0%
45 to 49 years	5.7%
50 to 54 years	5.6%
55 to 59 years	7.1%
60 to 64 years	7.1%
65 to 69 years	3.6%
70 to 74 years	2.4%
75 to 79 years	2.2%
80 to 84 years	1.8%
85 years and over	0.4%

Racial Composition [i]

Hispanic or Latino	58.8%
Black or African Amer	9.5%
White	12.6%
Asian	7.1%
Pacific Islander	7.8%
Two or More	18.1%
Other	2.8%

Level of Educational Attainment of Persons 25 years and older [i]

No High School degree	24.2%
High School degree or equivalent	23.1%
Some college, no degree	19.9%
Associate's degree, Bachelor's degree	21.9%
Post-grad degree	10.9%

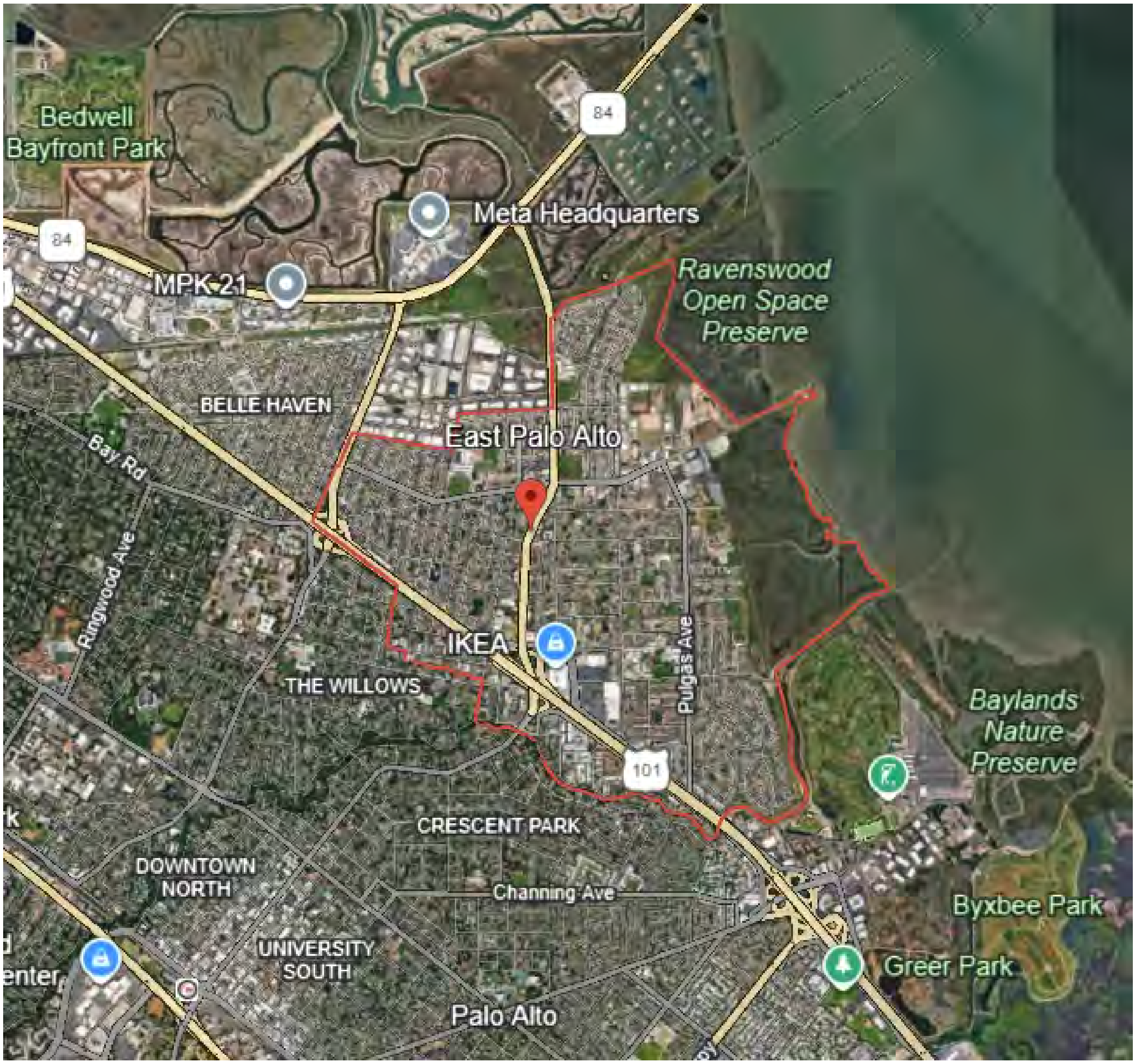
Per Capita Personal Income [i]

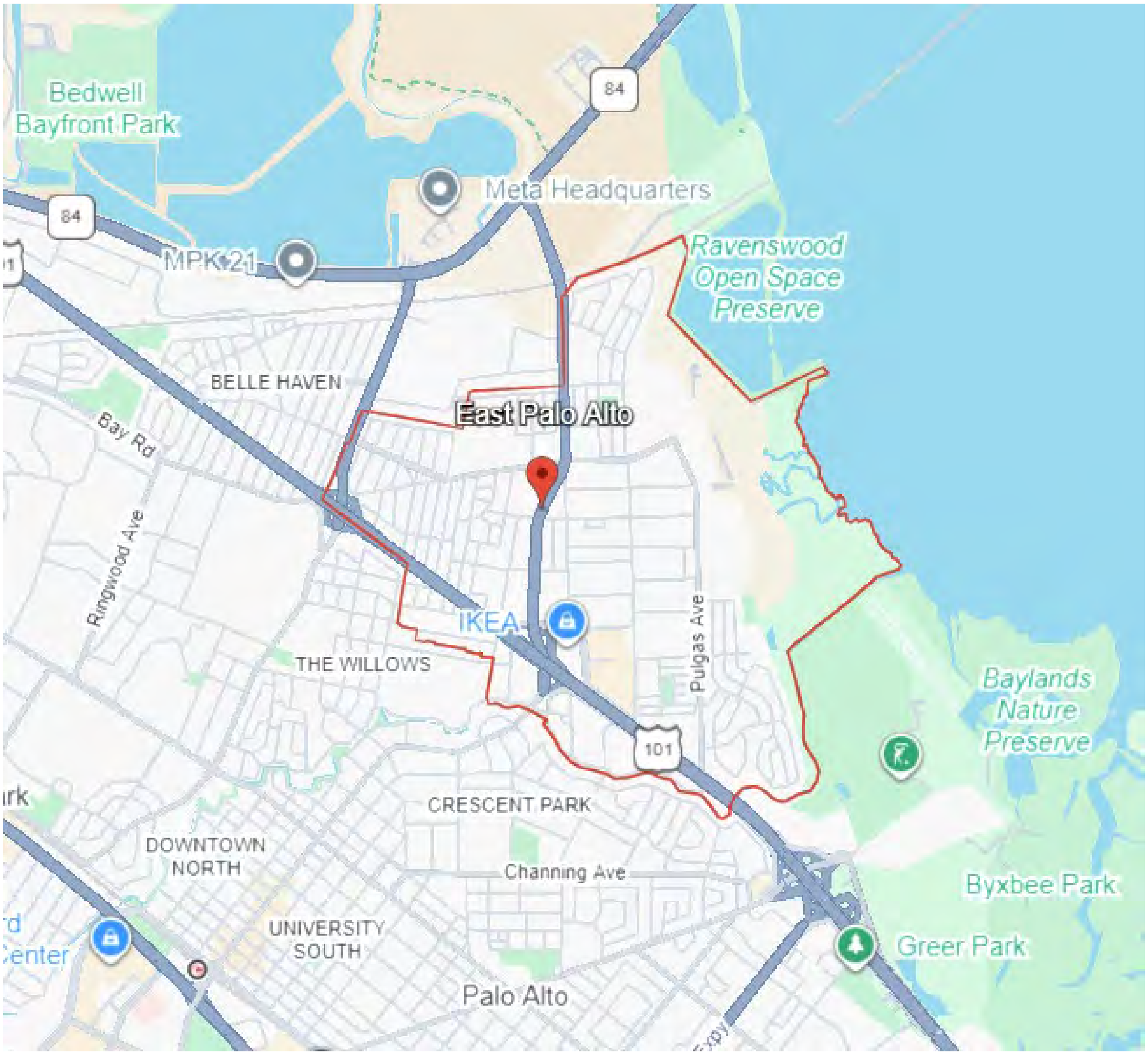
$42,301

Median Sales Price for Single Family Residences[ii]
($1,980,000 in 2025)

[i] https://www.census.gov/

[ii] San Mateo County Associations of Realtors


Bedwell
Bayfront Park
84
Meta Headquarters
84
MPK 21
Ravenswood
Open Space
Preserve
BELLE HAVEN
East Palo Alto
Bay Rd
Ringwood Ave
IKEA
THE WILLOWS
Pugas Ave
Baylands
Nature
Preserve
101
CRESCENT PARK
DOWNTOWN
NORTH
Channing Ave
Byxbee Park
UNIVERSITY
SOUTH
Greer Park
Palo Alto


Bedwell
Bayfront Park
84
84
Meta Headquarters
MPK 21
Ravenswood
Open Space
Preserve
BELLE HAVEN
East Palo Alto
Bay Rd
Ringwood Ave
IKEA
THE WILLOWS
Pulgas Ave
Baylands
Nature
Preserve
101
CRESCENT PARK
DOWNTOWN
NORTH
Channing Ave
Byxbee Park
UNIVERSITY
SOUTH
Greer Park
Palo Alto

This Page Intentionally Left Blank

FINANCIAL SUMMARY
FY 2026-2027 Budget

The Financial Summary section contains the following adopted budget and financial summary information:

Budget Information:

- **Citywide Budget Overview**
  - Budget by Fund Category
- **General Fund Overview**
  - General Fund and Internal Reserve Funds Budget
- **Special Revenue Funds Overview**
  - Special Revenue Funds Budget
  - Community Programs Budget
  - Housing Programs Budget
  - Transportation and Infrastructure Programs Budget
- **Capital Funds Overview**
  - Capital Funds Budget
- **Enterprise Funds Overview**
  - Enterprise Funds Budget

Other Financial Information:

- General Fund Revenues by Major Category
- General Fund Expenditures by Major Category

This Page Intentionally Left Blank

The Citywide budget overview provides a one-page view across all the various fund-types operating within the City. This view gives a full perspective of total revenues by character and total expenditures by department across all City funds. The City operates the following fund-group types:

- **General and Internal Reserve Funds**
- **Special Revenue Funds**
- **Capital Projects Funds**
- **Enterprise Funds**
- **Successor Agency Trust Fund**

This Page Intentionally Left Blank

CITY OF EAST PALO ALTO
FY 2026-2027 BUDGET BY FUND CATEGORY

	General Fund and Internal Reserves	Special Revenue Funds	Capital Improvement Funds	Enterprise Funds	City Total	Successor Trust Fund	GRAND TOTAL
Revenues							
Property Tax	17,006,190	1,091,236	-	1,609,934	19,707,361	3,528,516	23,235,877
Sales Tax	5,827,100	-	-	-	5,827,100	-	5,827,100
Transient Occupancy Tax	2,200,000	550,000	-	-	2,750,000	-	2,750,000
Business License Tax	830,000	1,620,690	-	-	2,450,690	-	2,450,690
Utility User Tax	2,160,558	-	-	-	2,160,558	-	2,160,558
Other Taxes	140,000	3,402,554	-	-	3,542,554	-	3,542,554
Licenses, Fees, and Permits	1,725,334	1,502,715	2,771,335	3,745,266	9,744,650	-	9,744,650
Charges for Services	2,206,280	142,600	-	10,021,571	12,370,451	-	12,370,451
Fines and Forfeitures	632,500	-	-	-	632,500	-	632,500
Use of Money and Property	1,941,764	1,415,764	791,556	1,679,787	5,828,871	58,248	5,887,119
Grants and Intergovernmental	65,000	1,248,100	1,230,000	-	2,543,100	-	2,543,100
Other Miscellaneous	613,800	-	-	303,333	917,133	-	917,133
Total Revenues	**35,348,525**	**10,973,659**	**4,792,892**	**17,359,891**	**68,474,967**	**3,586,764**	**72,061,731**
Expenditures							
City Council	274,352	-	-	7,500	281,852	-	281,852
City Attorney	1,617,805	10,700	-	50,600	1,679,105	1,400	1,680,505
City Clerk	667,379	-	-	-	667,379	-	667,379
City Manager	5,653,822	1,290,000	-	-	6,943,822	-	6,943,822
Finance	1,928,635	8,488	72,832	73,500	2,083,455	30,374	2,113,830
Community Development	3,544,234	18,724,499	-	-	22,268,732	-	22,268,732
Public Works	6,760,504	2,191,071	170,459	6,209,892	15,331,926	-	15,331,926
Police	17,583,877	200,000	-	-	17,783,877	-	17,783,877
Non-Departmental							
Capital/Technology	1,158,000	2,800,000	2,285,000	3,075,000	9,318,000	-	9,318,000
Debt Service	-	-	-	-	-	-	-
Insurance and Settlements	1,123,373	-	-	-	1,123,373	-	1,123,373
IT Operations	495,864		-	15,040	510,904	-	510,904
Other Non-Departmental	1,463,932	112,561	-	3,627,640	5,204,133	5,027,985	10,232,118
Overhead Allocation	(2,860,620)	925,618	198,832	1,727,128	(9,042)	9,041	-
Total Expenditures	**39,411,159**	**26,262,936**	**2,727,123**	**14,786,300**	**83,187,517**	**5,068,801**	**88,256,319**
Net Sources / (Uses)	**(4,062,633)**	**(15,289,277)**	**2,065,769**	**2,573,591**	**(14,712,550)**	**(1,482,037)**	**(16,194,587)**
Other Financing Sources / (Uses)							
Transfers In	-	989,268	-	-	989,268	-	989,268
Transfers Out	(989,268)	-	-	-	(989,268)	-	(989,268)
Net Operating Transfers	**(989,268)**	**989,268**	**-**	**-**	**-**	**-**	**-**
Change in Fund Balance	**(5,051,901)**	**(14,300,009)**	**2,065,769**	**2,573,591**	**(14,712,550)**	**(1,482,037)**	**(16,194,587)**
Other Changes	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Projected Fund Balance							
July 01, 2026 Balance*	**17,881,000**	**37,832,000**	**17,639,000**	**37,225,000**	**110,577,000**	**(13,944,032)**	**96,632,968**
June 30, 2027 Balance	**13,987,099**	**23,531,991**	**19,704,769**	**39,798,591**	**95,864,450**	**(15,426,069)**	**80,438,381**

*Excludes certain assets, reserves, and commitments.

This Page Intentionally Left Blank

General Fund

The General Fund is the primary operating fund of the City. The fund accounts for all revenues, expenditures, transfers, and other activity not accounted for in other City funds.

General Fund revenues are derived from five major sources including, Property Tax, Sales and Use Tax, Transient Occupancy Tax (TOT), Utility Users Tax, and Business License Tax. These taxes account for approximately 80% of total General Fund revenues, excluding development pass-through activity. General Fund uses primarily consist of personnel, contract, and purchase services, supplies and materials, and other expenditures.

General Fund Reserve Sub-Funds

Information Services

The Information Services Fund accounts for the accumulation of resources to acquire or improve information technology equipment and software, IT equipment replacement, and software licensing and maintenance costs.

Equipment and Vehicle Replacement

The Equipment and Vehicle Replacement Fund accounts for monies utilized to acquire and replace equipment and vehicles.

Insurance Reserve

The Insurance Reserve Fund accounts for the accumulation of resources to cover the costs of unanticipated loss and settlements due to property, casualty, or liability exposures and to cover the costs of PLAN JPA insurance coverage in excess of the City's $100,000 self-insured limit per liability claim.

Development Pass-Through

The Development Pass-Through Fund accounts for pass-through development fee activity and temporary staffing needs anticipated for unusually high development activity.

Note: No budget activity for the Contingency Reserve and Community Benefits Funds.

This Page Intentionally Left Blank

CITY OF EAST PALO ALTO
FY 2026-2027 GENERAL FUND BUDGET

	General Fund F110	Info Services Reserve F111	Equipment and Vehicle Reserve F112	Insurance Reserve F113	Development Pass Through F117	Eliminating	Total
Revenues							
Property Tax	17,006,190	-	-	-	-	-	17,006,190
Sales Tax	5,827,100	-	-	-	-	-	5,827,100
Transient Occupancy Tax	2,200,000	-	-	-	-	-	2,200,000
Business License Tax	830,000	-	-	-	-	-	830,000
Utility User Tax	2,160,558	-	-	-	-	-	2,160,558
Other Taxes	140,000	-	-	-	-	-	140,000
Licenses, Fees, and Permits	1,725,334	-	-	-	-	-	1,725,334
Charges for Services	2,206,280	-	-	-	-	-	2,206,280
Fines and Forfeitures	632,500	-	-	-	-	-	632,500
Use of Money and Property	1,941,764	-	-	-	-	-	1,941,764
Grants and Intergovernmental	65,000	-	-	-	-	-	65,000
Other Miscellaneous	-	-	-	-	613,800	-	613,800
Total Revenues	**34,734,725**	**-**	**-**	**-**	**613,800**	**-**	**35,348,525**
Expenditures							
City Council	266,852	7,500	-	-	-	-	274,352
City Attorney	1,412,805	-	-	125,000	80,000	-	1,617,805
City Clerk	552,701	114,678	-	-	-	-	667,379
City Manager	5,218,078	435,744	-	-	-	-	5,653,822
Finance	1,854,021	74,614	-	-	-	-	1,928,635
Community Development	3,019,318	54,916	-	-	470,000	-	3,544,234
Public Works	6,342,101	68,403	350,000	-	-	-	6,760,504
Police	17,081,633	302,244	200,000	-	-	-	17,583,877
Non-Departmental							
Major Capital/Technology	-	1,158,000	-	-	-	-	1,158,000
Insurance and Settlements	-	-	-	1,123,373	-	-	1,123,373
IT Operations	-	495,864	-	-	-	-	495,864
Other Non-Departmental	1,463,932	-	-	-	-	-	1,463,932
Overhead Allocation	(2,356,166)	(327,897)	-	(176,557)	-	-	(2,860,620)
Total Expenditures	**34,855,277**	**2,384,066**	**550,000**	**1,071,816**	**550,000**	**-**	**39,411,159**
Net Sources / (Uses)	**(120,551)**	**(2,384,066)**	**(550,000)**	**(1,071,816)**	**63,800**	**-**	**(4,062,633)**
Other Financing Sources / (Uses)							
Transfers In	-	1,226,066	550,000	1,071,816	-	(2,847,882)	-
Transfers Out	(3,837,150)	-	-	-	-	2,847,882	(989,268)
Net Operating Transfers	**(3,837,150)**	**1,226,066**	**550,000**	**1,071,816**	**-**	**-**	**(989,268)**
Change in Fund Balance	**(3,957,701)**	**(1,158,000)**	**-**	**-**	**63,800**	**-**	**(5,051,901)**
Other Changes	**63,800**	**-**	**-**	**-**	**(63,800)**	**-**	**-**
Projected Fund Balance							
July 01, 2026 Balance*	**17,881,000**	**3,853,000**	**687,000**	**2,273,000**	**-**	**(6,813,000)**	**17,881,000**
June 30, 2027 Balance	**13,987,099**	**2,695,000**	**687,000**	**2,273,000**	**-**	**(6,813,000)**	**13,987,099**

*Excludes certain reserves and commitments

This Page Intentionally Left Blank

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than major capital projects or debt service. GASB 54 clarifies that the *proceeds of a specific revenue source*, whether legal or administrative, is the foundation for classification of a Special Revenue Fund.

Community Programs

Public Safety Grants

The Public Safety Grants Fund accounts for revenues and expenditures for the Citizen Options for Public Safety Program and Supplemental Law Enforcement Services Fund (COPS/SLESF).

Federal and State Grants

Federal and State Grants Fund accounts for the Congregate Meals/Senior Nutrition and Senior Transportation grant programs passed through the San Mateo County Office of Aging and Adult Services.

Local Grants

The Local Grants Fund accounts for all other local grant activity not accounted for in separate funds.

CYSFF

The CYSFF Fund accounts for 10% of the Transient Occupancy Tax (TOT) collected as approved by voters to fund various nonprofit organizations providing services to children, youth, and families.

Housing Programs

Rent Stabilization

The Rent Stabilization Fund accounts for revenues and expenditures to support rent stabilization programs and activities.

Housing in Lieu

The Housing in Lieu Fund accounts for developer-agreed payments and ordinance fees in lieu of providing affordable housing.

Housing Assistance

The Housing Assistance Fund accounts for first time home buyer assistance program activities.

Housing Commercial Impact

The Housing Commercial Impact Fee Fund accounts for fees charged to developers of nonresidential development projects to mitigate the project impact on the need for affordable housing as a result of the project development.

Housing TOT

The Housing TOT Fund accounts for 10% of the Transient Occupancy Tax (TOT) collected as approved by voters to fund affordable housing development activity and programs.

Measure HH

The Measure HH Fund accounts for a voter-approved parcel tax on commercial office space of 25,000 square feet or more collected to fund affordable and supportive housing programs; programs that facilitate citizen access to job opportunities in science, technology, engineering and mathematics (S.T.E.M.) and building trades, and strengthen the First Source Hiring Program.

Measure JJ

The Measure JJ Fund accounts for a 2.5% business license tax on gross receipts from residential rental units. At least 30% of the funds must be used for tenant rental assistance and no more than 20% of the funds may be used for staff and overhead costs to administer the tax. The remaining revenue may be used, at the city's discretion, to support affordable homeownership, preserve affordable housing, provide tenant rental assistance, or protect residents from displacement or homelessness.

Housing Successor Agency

The Housing Successor Agency Funds account for activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The funds are restricted to housing-related activities for low- and moderate-income needs.

Silicon Valley Community Foundation

The Silicon Valley Community Foundation (SVCF) Fund accounts for gift monies from SVCF for the purpose of incentivizing the affordable housing development within the City. The monies are further restricted to pay a minimum amount of $500,000 for an affordable housing manager position over a period of five years.

Transportation and Infrastructure Programs

State Gas Tax

The State Gas Tax Fund is required by State law to account for California State gasoline taxes. This tax is primarily distributed to cities based on population and proportion of registered vehicles. Gas tax funds must be spent on public street-related maintenance and capital expenditures.

Measure A

The Measure A Fund accounts for a countywide one-half percent sale and use tax to support countywide (San Mateo County) transportation projects and programs.

NPDES

The NPDES Fund accounts for revenues and expenditures from assessments levied on property in the City in compliance with the provision of the National Pollutant Elimination System for prevention of storm water and flood related damage.

Lighting District

The City maintains one Lighting District, the Ravenswood Highway Lighting District, to cover the costs of lighting on and around public streets, highways, parks, and alleys. The Lighting District Fund accounts for all revenues (assessments) and expenditures associated with the District.

Drainage District

The City maintains one Drainage District, the East Palo Alto Maintenance Drainage District, to cover the costs of providing storm drainage and flood control management services for areas related to the district boundary. The Drainage District Fund accounts for all revenues (assessments) and expenditures associated with the District.

Measure W

The Measure W Fund accounts for the City's allocation of a voter-approved one-half percent (0.5%) sales tax enacted for thirty years to road improvements, transit services, and implementation of the San Mateo County Congestion Relief Plan.

This Page Intentionally Left Blank

CITY OF EAST PALO ALTO
FY 2026-2027 SPECIAL REVENUE FUNDS BUDGET

	Community Programs	Housing Programs	Transportation and Infrastructure Programs	Total
Revenues				
Property Tax	-	-	1,091,236	**1,091,236**
Sales Tax	-	-	-	**-**
Transient Occupancy Tax	275,000	275,000	-	**550,000**
Business License Tax	-	1,620,690	-	**1,620,690**
Utility User Tax	-	-	-	**-**
Other Taxes	-	1,677,000	1,725,554	**3,402,554**
Licenses, Fees, and Permits	-	1,502,715	-	**1,502,715**
Charges for Services	-	2,600	140,000	**142,600**
Fines and Forfeitures	-	-	-	**-**
Use of Money and Property	89,424	669,960	656,379	**1,415,764**
Grants and Intergovernmental	138,100	-	1,110,000	**1,248,100**
Other Miscellaneous	-	-	-	**-**
Total Revenues	**502,524**	**5,747,965**	**4,723,170**	**10,973,659**
Expenditures				
City Council	-	-	-	**-**
City Attorney	-	10,700	-	**10,700**
City Clerk	-	-	-	**-**
City Manager	1,290,000	-	-	**1,290,000**
Finance	-	2,496	5,992	**8,488**
Community Development	49,044	18,675,455	-	**18,724,499**
Public Works	123,563	-	2,067,508	**2,191,071**
Police	200,000	-	-	**200,000**
Non-Departmental	-	-	-	**-**
Capital/Technology	-	-	2,800,000	**2,800,000**
Insurance and Settlements	-	-	-	**-**
IT Operations	-	-	-	**-**
Other Non-Departmental	-	14	112,547	**112,561**
Overhead Allocation	9,236	381,785	534,597	**925,618**
Total Expenditures	**1,671,843**	**19,070,449**	**5,520,643**	**26,262,936**
Net Sources / (Uses)	**(1,169,319)**	**(13,322,484)**	**(797,474)**	**(15,289,277)**
Other Financing Sources / (Uses)				
Transfers In	-	-	989,268	**989,268**
Transfers Out	-	-	-	**-**
Net Operating Transfers	-	-	989,268	**989,268**
Change in Fund Balance	**(1,169,319)**	**(13,322,484)**	**191,794**	**(14,300,009)**
Other Changes	**-**	**-**	**-**	**-**
Projected Fund Balance				
July 01, 2026 Balance*	**2,867,000**	**17,852,000**	**17,113,000**	**37,832,000**
June 30, 2027 Balance	**1,697,681**	**4,529,516**	**17,304,794**	**23,531,991**

*Excludes certain reserves and commitments

This Page Intentionally Left Blank

CITY OF EAST PALO ALTO
FY 2026-2027 COMMUNITY PROGRAMS BUDGET

	Public Safety Grants F213	Federal and State Grants F215	Local Grants F230	CYSFF TOT F231	Total Community Programs
Revenues					
Property Tax	-	-	-	-	**-**
Sales Tax	-	-	-	-	**-**
Transient Occupancy Tax	-	-	-	275,000	**275,000**
Business License Tax	-	-	-	-	**-**
Utility User Tax	-	-	-	-	**-**
Other Taxes	-	-	-	-	**-**
Licenses, Fees, and Permits	-	-	-	-	**-**
Charges for Services	-	-	-	-	**-**
Fines and Forfeitures	-	-	-	-	**-**
Use of Money and Property	14,526	8,949	23,779	42,170	**89,424**
Grants and Intergovernmental	100,000	38,100	-	-	**138,100**
Other Miscellaneous	-	-	-	-	**-**
Total Revenues	**114,526**	**47,049**	**23,779**	**317,170**	**502,524**
Expenditures					
City Council	-	-	-	-	**-**
City Attorney	-	-	-	-	**-**
City Clerk	-	-	-	-	**-**
City Manager	-	-	590,000	700,000	**1,290,000**
Finance	-	-	-	-	**-**
Community Development	-	-	49,044	-	**49,044**
Public Works	-	-	123,563	-	**123,563**
Police	200,000	-	-	-	**200,000**
Non-Departmental			-	-	**-**
Capital/Technology	-	-	-	-	**-**
Insurance and Settlements	-	-	-	-	**-**
IT Operations	-	-	-	-	**-**
Other Non-Departmental	-	-	-	-	**-**
Overhead Allocation	-	-	-	9,236	**9,236**
Total Expenditures	**200,000**	**-**	**762,607**	**709,236**	**1,671,843**
Net Sources / (Uses)	**(85,474)**	**47,049**	**(738,828)**	**(392,066)**	**(1,169,319)**
Other Financing Sources / (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	**-**
Net Operating Transfers	**-**	**-**	**-**	**-**	**-**
Change in Fund Balance	**(85,474)**	**47,049**	**(738,828)**	**(392,066)**	**(1,169,319)**
Other Changes	**-**	**-**	**-**	**-**	**-**
Projected Fund Balance					
July 01, 2026 Balance*	**674,000**	**1,423,000**	**47,000**	**723,000**	**2,867,000**
June 30, 2027 Balance	**588,526**	**1,470,049**	**(691,828)**	**330,934**	**1,697,681**

*Excludes certain reserves and commitments

This Page Intentionally Left Blank

CITY OF EAST PALO ALTO

FY 2026-2027 HOUSING PROGRAMS BUDGET

	Rent Stabilization F204	Inclusionary Housing F205	Housing In Lieu F207	Housing Assistance F209	Housing Commercial Impact F216	Housing TOT F218	Measure HH F219	Housing Successor F220	Silicon Valley Community F233	Measure JJ F235	Total
Revenues											
Property Tax	-	-	-	-	-	-	-	-	-	-	**-**
Sales Tax	-	-	-	-	-	-	-	-	-	-	**-**
Transient Occupancy Tax	-	-	-	-	-	275,000	-	-	-	-	**275,000**
Business License Tax	-	-	-	-	-	-	-	-	-	1,620,690	**1,620,690**
Utility User Tax	-	-	-	-	-	-	-	-	-	-	**-**
Other Taxes	-	-	-	-	-	-	1,677,000	-	-	-	**1,677,000**
Licenses, Fees, and Permits	852,390	650,325	-	-	-	-	-	-	-	-	**1,502,715**
Charges for Services	2,600	-	-	-	-	-	-	-	-	-	**2,600**
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-	**-**
Use of Money and Property	17,352	-	311,233	12,870	-	68,208	209,093	48,235	2,970	-	**669,960**
Grants and Intergovernmental	-	-	-	-	-	-	-	-	-	-	**-**
Other Miscellaneous	-	-	-	-	-	-	-	-	-	-	**-**
Total Revenues	**872,342**	**650,325**	**311,233**	**12,870**	**-**	**343,208**	**1,886,093**	**48,235**	**2,970**	**1,620,690**	**5,747,965**
Expenditures											
City Council	-	-	-	-	-	-	-	-	-	-	**-**
City Attorney	-	-	-	-	-	-	-	10,700	-	-	**10,700**
City Clerk	-	-	-	-	-	-	-	-	-	-	**-**
City Manager	-	-	-	-	-	-	-	-	-	-	**-**
Finance	-	-	-	-	-	-	2,496	-	-	-	**2,496**
Community Development	649,097	12,200	6,130,275	6,480	-	1,868,775	8,369,847	129,742	-	1,509,039	**18,675,455**
Public Works	-	-	-	-	-	-	-	-	-	-	**-**
Police	-	-	-	-	-	-	-	-	-	-	**-**
Non-Departmental											
Capital/Technology	-	-	-	-	-	-	-	-	-	-	**-**
Insurance and Settlements	-	-	-	-	-	-	-	-	-	-	**-**
IT Operations	-	-	-	-	-	-	-	-	-	-	**-**
Other Non-Departmental	-	-	-	-	-	-	14	-	-	-	**14**
Overhead Allocation	354,148	-	10,728	9,206	-	7,704	-	-	-	-	**381,785**
Total Expenditures	**1,003,245**	**12,200**	**6,141,002**	**15,686**	**-**	**1,876,479**	**8,372,357**	**140,442**	**-**	**1,509,039**	**19,070,449**
Net Sources / (Uses)	**(130,903)**	**638,125**	**(5,829,770)**	**(2,816)**	**-**	**(1,533,271)**	**(6,486,264)**	**(92,207)**	**2,970**	**111,651**	**(13,322,484)**
Other Financing Sources / (Uses)											
Transfers In	-	-	-	-	-	-	-	-	-	-	**-**
Transfers Out	-	-	-	-	-	-	-	-	-	-	**-**
Net Operating Transfers	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Change in Fund Balance	**(130,903)**	**638,125**	**(5,829,770)**	**(2,816)**	**-**	**(1,533,271)**	**(6,486,264)**	**(92,207)**	**2,970**	**111,651**	**(13,322,484)**
Other Changes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Projected Fund Balance											
July 01, 2026 Balance*	**306,000**	**-**	**5,409,000**	**401,000**	**(42,000)**	**2,642,000**	**8,273,000**	**514,000**	**135,000**	**214,000**	**17,852,000**
June 30, 2027 Balance	**175,097**	**638,125**	**(420,770)**	**398,184**	**(42,000)**	**1,108,729**	**1,786,736**	**421,793**	**137,970**	**325,651**	**4,529,516**

*Excludes certain reserves and commitments

This Page Intentionally Left Blank

CITY OF EAST PALO ALTO

FY 2026-2027 INFRASTRUCTURE PROGRAMS BUDGET

	State Gas Tax F201	Measure A F202	NPDES F203	Park in Lieu F206	Lighting District F221	Drainage District F222	Measure W F234	Total
Revenues								
Property Tax	-	-	-	-	919,058	172,179	-	1,091,236
Sales Tax	-	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-	-
Business License Tax	-	-	-	-	-	-	-	-
Utility User Tax	-	-	-	-	-	-	-	-
Other Taxes	1,725,554	-	-	-	-	-	-	1,725,554
Licenses, Fees, and Permits	-	-	-	-	-	-	-	-
Charges for Services	-	-	140,000	-	-	-	-	140,000
Fines and Forfeitures	-	-	-	-	-	-	-	-
Use of Money and Property	147,084	207,015	13,854	12,104	199,851	38,197	38,273	656,379
Grants and Intergovernmental	-	770,000	-	-	-	-	340,000	1,110,000
Other Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	**1,872,638**	**977,015**	**153,854**	**12,104**	**1,118,909**	**210,376**	**378,273**	**4,723,170**
Expenditures								
City Council	-	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-	-
Finance	-	1,846	2,300	-	-	-	1,846	5,992
Community Development	-	-	-	-	-	-	-	-
Public Works	789,176	-	816,509	-	236,154	225,668	-	2,067,508
Police	-	-	-	-	-	-	-	-
Non-Departmental								
Capital/Technology	2,000,000	550,000	-	-	-	-	250,000	2,800,000
Insurance and Settlements	-	-	-	-	-	-	-	-
IT Operations	-	-	-	-	-	-	-	-
Other Non-Departmental	94,272	-	10,461	-	6,098	1,716	-	112,547
Overhead Allocation	171,356	54,574	164,981	1,107	55,942	67,363	19,274	534,597
Total Expenditures	**3,054,804**	**606,420**	**994,251**	**1,107**	**298,194**	**294,747**	**271,120**	**5,520,643**
Net Sources / (Uses)	**(1,182,166)**	**370,594**	**(840,397)**	**10,997**	**820,715**	**(84,371)**	**107,153**	**(797,474)**
Other Financing Sources / (Uses)								
Transfers In	64,500	-	840,397	-	-	84,371	-	989,268
Transfers Out	-	-	-	-	-	-	-	-
Net Operating Transfers	**64,500**	**-**	**840,397**	**-**	**-**	**84,371**	**-**	989,268
Change in Fund Balance	**(1,117,666)**	**370,594**	**-**	**10,997**	**820,715**	**-**	**107,153**	**191,794**
Other Changes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Projected Fund Balance								
July 01, 2026 Balance*	**4,253,000**	**5,533,000**	**95,000**	**395,000**	**3,707,000**	**1,235,000**	**1,895,000**	**17,113,000**
June 30, 2027 Balance	**3,135,334**	**5,903,594**	**95,000**	**405,997**	**4,527,715**	**1,235,000**	**2,002,153**	**17,304,794**

*Excludes certain reserves and commitments

This Page Intentionally Left Blank

Capital Funds account for major capital acquisitions, construction activities, and significant renovation or replacement of general government assets. Capital improvement projects within these funds are primarily financed through General Fund transfers, federal and state grants, restricted capital-related settlements, and developer impact fees collected to offset the effects of new development on the City's infrastructure systems.

Capital Improvement

The Capital Improvement Fund supports the planning, design, construction, and management of the City's major infrastructure improvements, including streets, sidewalks, parks, facilities, and storm drainage systems. Capital projects related to the City's water infrastructure are accounted for separately within the Water Enterprise Fund.

Parks and Trails Impact

The Park and Trails Impact Fund accounts for developer fees collected to mitigate the impacts of new development on the City's parks, trails, and open space infrastructure. These funds are used to support park improvements and land acquisitions that help maintain adequate and high-quality open space amenities, enhancing public health and quality of life for residents and the workforce.

Public Facilities Impact

The Park and Trails Impact Fund accounts for developer fees collected to mitigate the impacts of new development on the provision of essential public facilities. These facilities include police services, educational amenities such as libraries, governance buildings, and community service centers needed to support the City's growing population and workforce.

Transportation Infrastructure Impact

The Park and Trails Impact Fund accounts for developer fees collected to mitigate the impacts of new development on the City's transportation infrastructure, including public roads and multi-modal streetscape facilities. These funds support the construction of sidewalks and related improvements such as street trees, lighting, benches, and street furniture, which enhance pedestrian safety, accessibility, aesthetics, and opportunities for active transportation.

RBD-I Impact

The RBD-I Impact Fund accounts for developer fees collected to mitigate the impacts of new development on storm drainage infrastructure within the Ravenswood Business District. These funds support improvements necessary to provide adequate drainage capacity and reduce the risk of flooding in the area.

RBD-O Impact

The RBD-O Impact Fund accounts for developer fees collected to mitigate the impacts of new development on storm drainage infrastructure in areas of the City outside the Ravenswood Business District. These funds support improvements needed to provide adequate drainage capacity and reduce the risk of flooding throughout the remainder of the City.

CITY OF EAST PALO ALTO

FY 2026-2027 CAPITAL PROJECT FUNDS BUDGET

	Capital Improvement F301/303	Parks and Trails Impact F305	Public Facilities Impact F306	Transportation Impact F307	RBD-I Storm Drain Impact F308	RBD-O Storm Drain Impact F309	Total
Revenues							
Property Tax	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-
Business License Tax	-	-	-	-	-	-	-
Utility User Tax	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-
Licenses, Fees, and Permits	-	641,916	1,125,741	737,123	-	266,555	2,771,335
Charges for Services	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Use of Money and Property	723,117	12,381	22,200	14,407	8,257	11,193	791,556
Grants and Intergovernmental	1,230,000	-	-	-	-	-	1,230,000
Other Miscellaneous	-	-	-	-	-	-	-
Total Revenues	**1,953,117**	**654,297**	**1,147,941**	**751,531**	**8,257**	**277,748**	**4,792,892**
Expenditures							
City Council	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-
Finance	72,832	-	-	-	-	-	72,832
Community Development	-	-	-	-	-	-	-
Public Works	170,459	-	-	-	-	-	170,459
Police	-	-	-	-	-	-	-
Non-Departmental							
Capital/Technology	2,285,000	-	-	-	-	-	2,285,000
Insurance and Settlements	-	-	-	-	-	-	-
IT Operations	-	-	-	-	-	-	
Other Non-Departmental	-	-	-	-	-	-	-
Overhead Allocation	188,608	2,178	2,178	2,289	1,919	1,661	198,832
Total Expenditures	**2,716,898**	**2,178**	**2,178**	**2,289**	**1,919**	**1,661**	**2,727,123**
Net Sources / (Uses)	**(763,780)**	**652,119**	**1,145,763**	**749,242**	**6,338**	**276,087**	**2,065,769**
Other Financing Sources / (Uses)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Net Operating Transfers	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Change in Fund Balance	**(763,780)**	**652,119**	**1,145,763**	**749,242**	**6,338**	**276,087**	**2,065,769**
Other Changes	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Projected Fund Balance							
July 01, 2026 Balance*	**15,789,000**	**272,000**	**187,000**	**613,000**	**385,000**	**393,000**	**17,639,000**
June 30, 2027 Balance	**15,025,220**	**924,119**	**1,332,763**	**1,362,242**	**391,338**	**669,087**	**19,704,769**

*Excludes certain reserves and commitments

Enterprise Funds account for City operations that are financed and operated in a manner similar to private business enterprises. These activities typically generate revenue through user fees charged for services or products provided. While they are intended to be primarily self-supporting through these charges, some may require general government subsidies to fully cover operating costs.

Garbage Collection Fund

Garbage collection and recycling services in East Palo Alto are provided by Recology of San Mateo County, with revenues primarily generated through solid waste service fees. The Garbage Collection Fund accounts for residential and commercial garbage collection, street sweeping, litter control, and related services. Litter control fees are collected by the South Bay Waste Management Authority (SBWMA) from both residential and commercial customers. Residential solid waste collection fees are collected by the City through the property tax roll and remitted to Recology of San Mateo County for services provided.

Sewer Service Funds

For external financial reporting, sewer services are presented as a self-supporting enterprise fund that includes the operations, maintenance, and capital improvements of the East Palo Alto Sanitary District (EPASD), a subsidiary of the City. For internal management purposes, the District maintains two enterprise funds: one for operating and capital activities, and another to account for developer impact (connection) fee revenues and related expenditures.

Water Service Funds

Most water connections in East Palo Alto (approximately 80%) are served by the City's water system, which is operated and leased by Veolia Water North America Operating Services LLC. The remaining connections are served by the Palo Alto Park Mutual Water Company or the O'Connor Tract Co-op Water Company. Water is supplied to the City by the San Francisco Public Utilities Commission.

The Water Service Fund accounts for lease operating revenue received from Veolia. It also includes capital and meter surcharges, as well as water capacity fees. These surcharge revenues are used to fund capital improvement costs associated with the City's operating obligations under the agreement with Veolia.

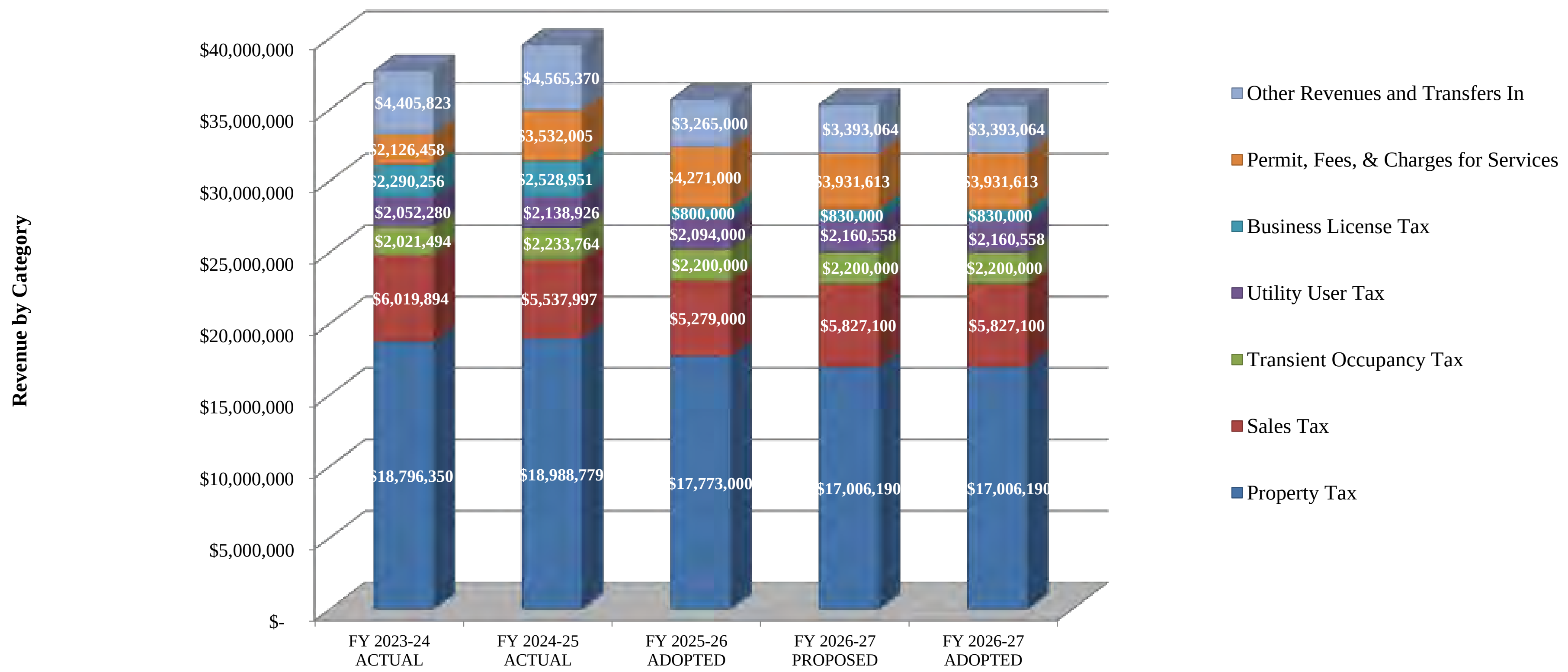
CITY OF EAST PALO ALTO
FY 2026-2027 ENTERPRISE FUNDS BUDGET

	Water Lease F510	Water Capital F511	Water Meter F512	Water Capacity F513	Sub-total Water Enterprise	Garbage Service F520	Sewer Services F530	Sewer Connection F533	Total
Revenues									
Property Tax	-	-	-	-	-	-	1,609,934	-	1,609,934
Sales Tax	-	-	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-
Business License Tax	-	-	-	-	-	-	-	-	-
Utility User Tax	-	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-	-
Licenses, Fees, and Permits	-	-	-	1,205,036	1,205,036	-	40,230	2,500,000	3,745,266
Charges for Services	10,000	1,250,000	-	-	1,260,000	3,461,565	5,300,006	-	10,021,571
Fines and Forfeitures	-	-	-	-	-	-	-	-	-
Use of Money and Property	536,795	396,577	56,358	20,504	1,010,233	78,513	517,638	73,403	1,679,787
Grants and Intergovernmental	-	-	-	-	-	-	-	-	-
Other Miscellaneous	-	23,333	-	-	23,333	280,000	-	-	303,333
Total Revenues	**546,795**	**1,669,910**	**56,358**	**1,225,540**	**3,498,602**	**3,820,078**	**7,467,808**	**2,573,403**	**17,359,891**
Expenditures									
City Council	-	-	-	-	-	-	7,500	-	7,500
City Attorney	7,000	-	-	-	7,000	-	43,600	-	50,600
City Clerk	-	-	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	2,300	71,200	-	73,500
Community Development	-	-	-	-	-	-	-	-	-
Public Works	168,766	5,000	-	-	173,766	344,230	5,691,896	-	6,209,892
Police	-	-	-	-	-	-	-	-	-
Non-Departmental									-
Capital/Technology	-	380,000	-	-	380,000	-	2,695,000	-	3,075,000
Insurance and Settlements	-	-	-	-	-	-	-	-	-
IT Operations	-	-	-	-	-	-	15,040	-	15,040
Other Non-Departmental	18,111	-	-	-	18,111	3,609,529	-	-	3,627,640
Overhead Allocation	188,406	56,353	7,590	2,732	255,081	243,210	1,228,837	-	1,727,128
Total Expenditures	**382,283**	**441,353**	**7,590**	**2,732**	**833,958**	**4,199,269**	**9,753,073**	**-**	**14,786,300**
Net Sources / (Uses)	**164,512**	**1,228,556**	**48,767**	**1,222,809**	**2,664,644**	**(379,191)**	**(2,285,265)**	**2,573,403**	**2,573,591**
Other Financing Sources / (Uses)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Net Operating Transfers	**-**	**-**	**-**	**-**	**-**	**-**			-
Change in Fund Balance	**164,512**	**1,228,556**	**48,767**	**1,222,809**	**2,664,644**	**(379,191)**	**(2,285,265)**	**2,573,403**	**2,573,591**
Other Changes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Projected Fund Balance									
July 01, 2026 Balance*	**2,961,000**	**11,075,000**	**1,638,000**	**(4,026,000)**	**11,648,000**	**1,570,000**	**23,843,000**	**164,000**	**37,225,000**
June 30, 2027 Balance	**3,125,512**	**12,303,556**	**1,686,767**	**(2,803,191)**	**14,312,644**	**1,190,809**	**21,557,735**	**2,737,403**	**39,798,591**

*Excludes certain reserves and commitments

GENERAL FUND REVENUES BY MAJOR CATEGORY

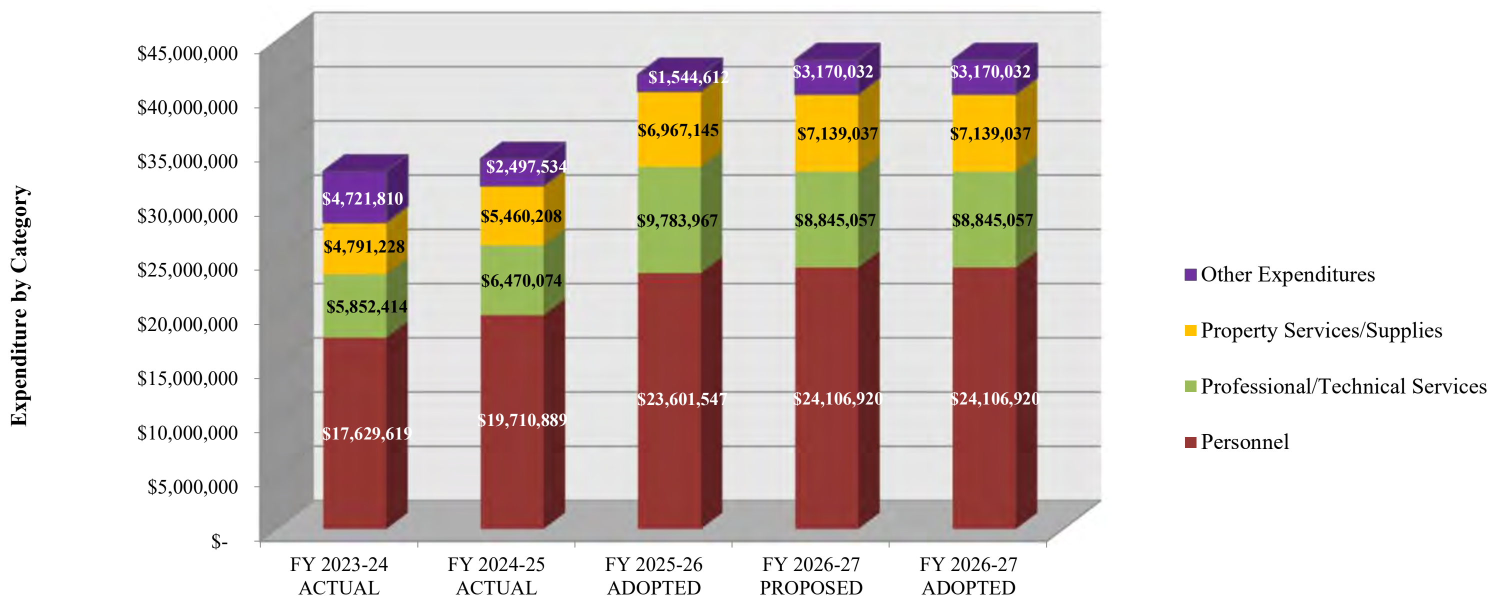
	FY 2023-24 ACTUAL	FY 2024-25 ACTUAL	FY 2025-26 ADOPTED	FY 2026-27 PROPOSED	FY 2026-27 ADOPTED
Property Tax	$ 18,796,350	$ 18,988,779	$ 17,773,000	$ 17,006,190	$ 17,006,190
Sales Tax	$ 6,019,894	$ 5,537,997	$ 5,279,000	$ 5,827,100	$ 5,827,100
Transient Occupancy Tax	$ 2,021,494	$ 2,233,764	$ 2,200,000	$ 2,200,000	$ 2,200,000
Utility User Tax	$ 2,052,280	$ 2,138,926	$ 2,094,000	$ 2,160,558	$ 2,160,558
Business License Tax	$ 2,290,256	$ 2,528,951	$ 800,000	$ 830,000	$ 830,000
Permit, Fees, & Charges for Services	$ 2,126,458	$ 3,532,005	$ 4,271,000	$ 3,931,613	$ 3,931,613
Other Revenues and Transfers In	$ 4,405,823	$ 4,565,370	$ 3,265,000	$ 3,393,064	$ 3,393,064
Total General Fund Revenues	**37,712,555**	**39,525,792**	**35,682,000**	**35,348,525**	**35,348,525**



This Page Intentionally Left Blank

GENERAL FUND EXPENDITURES BY MAJOR CATEGORY

		FY 2023-24 ACTUAL		FY 2024-25 ACTUAL		FY 2025-26 ADOPTED		FY 2026-27 PROPOSED		FY 2026-27 ADOPTED
Personnel	$	17,629,619	$	19,710,889	$	23,601,547	$	24,106,920	$	24,106,920
Professional/Technical Services	$	5,852,414	$	6,470,074	$	9,783,967	$	8,845,057	$	8,845,057
Other Services/Supplies	$	4,791,228	$	5,460,208	$	6,967,145	$	7,139,037	$	7,139,037
Capital, Transfers, and Other Expenditures	$	4,721,810	$	2,497,534	$	1,544,612	$	3,170,032	$	3,170,032
Total General Fund Expenditures Before Allocations	$	32,995,071	$	34,138,705	$	41,897,271	$	43,261,046	$	43,261,046
Overhead Allocation to Other Funds	$	(913,434)	$	(929,182)	$	(2,647,709)	$	(2,860,620)	$	(2,860,620)
Total Net General Fund Expenditures	**$**	**32,081,637**	**$**	**33,209,523**	**$**	**39,249,562**	**$**	**40,400,427**	**$**	**40,400,427**

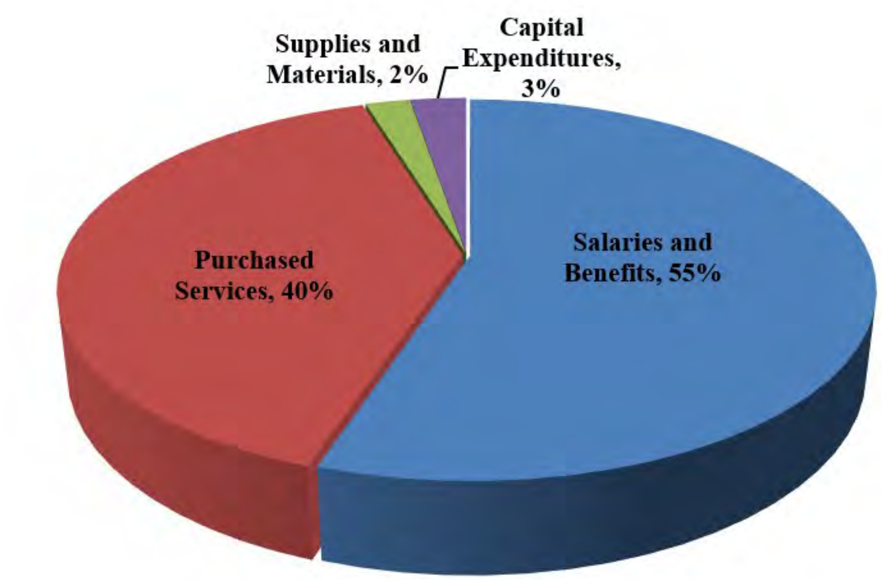


This Page Intentionally Left Blank

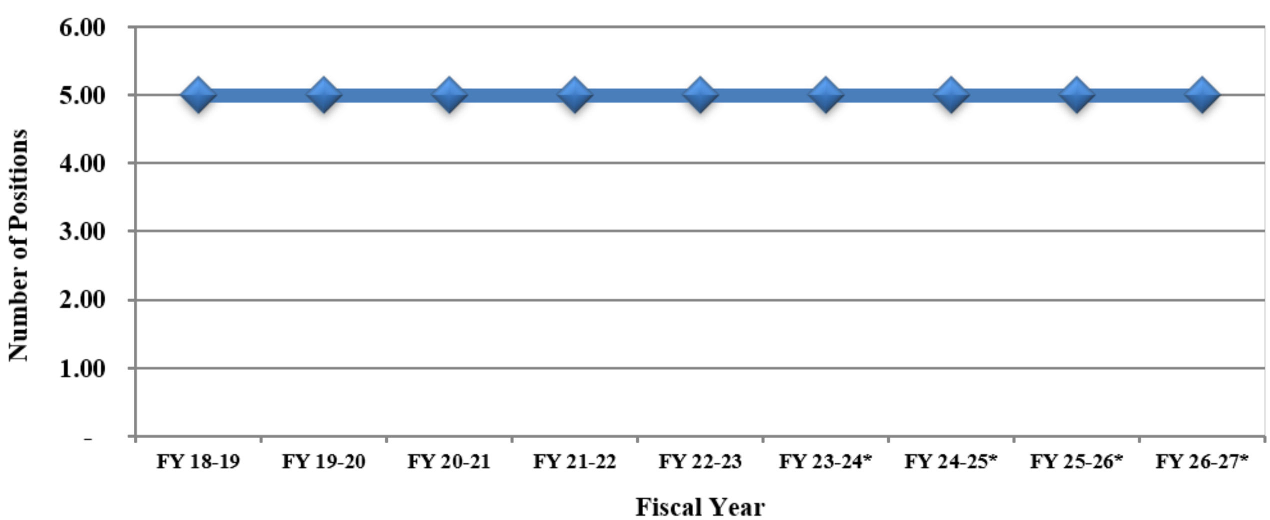
CITY COUNCIL
FY 2026-2027 Budget

FY 2026-27	
Operating	$281,852
Positions	5

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY COUNCIL

FY 2026-2027 Budget

Department Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	150,382	173,285	272,105	274,352	274,352
Special Revenue Funds	-	-	-	-	-
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	(346)	7,500	7,500	7,500
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**150,382**	**172,939**	**279,605**	**281,852**	**281,852**

EXPENDITURES BY DEPARTMENT	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
City Council	150,382	172,939	279,605	281,852	281,852
TOTAL	**150,382**	**172,939**	**279,605**	**281,852**	**281,852**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	97,496	131,770	152,743	155,490	155,490
Subtotal	**97,496**	**131,770**	**152,743**	**155,490**	**155,490**
Supplies and Services					
Purchased Services	50,424	39,804	117,362	112,862	112,862
Supplies and Materials	2,462	1,365	2,000	6,000	6,000
Capital Expenditures	-	-	7,500	7,500	7,500
Other Expenditures	-	-	-	-	-
Subtotal	**52,886**	**41,169**	**126,862**	**126,362**	**126,362**
TOTAL	**150,382**	**172,939**	**279,605**	**281,852**	**281,852**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Mayor	1.00	1.00	1.00	1.00	1.00
Vice Mayor	1.00	1.00	1.00	1.00	1.00
Council Member	3.00	3.00	3.00	3.00	3.00
TOTAL	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY COUNCIL

FY 2026-2027 Budget

Department Summary

PURPOSE

The City Council develops and adopts policies that ensure delivery of quality public services to the people of East Palo Alto in order to create a healthy, safe, and prosperous environment.

A five-member Council governs City services for a population of approximately 28,216 residents. Each Council Member is elected at large and serves a four-year term. The Mayor is appointed by the members of the Council and serves a one-year term. The Council convenes in regular session on the 1st and 3rd Tuesdays of each month (except for an annual recess during the month of August) and often holds special meetings and work study sessions throughout the year. All meetings are held in the East Palo Alto (EPA) Government Center, located in the City Council Chambers at 2415 University Avenue or available through designated media channels.

The Council adopts policies, resolutions and ordinances for City operations and ensures appropriate representation and response to citizen interests. The City Council appoints the City Manager and City Attorney, who report directly to them, and in turn, support the City Council in its policy development functions and carry out the City Council policies and programs.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

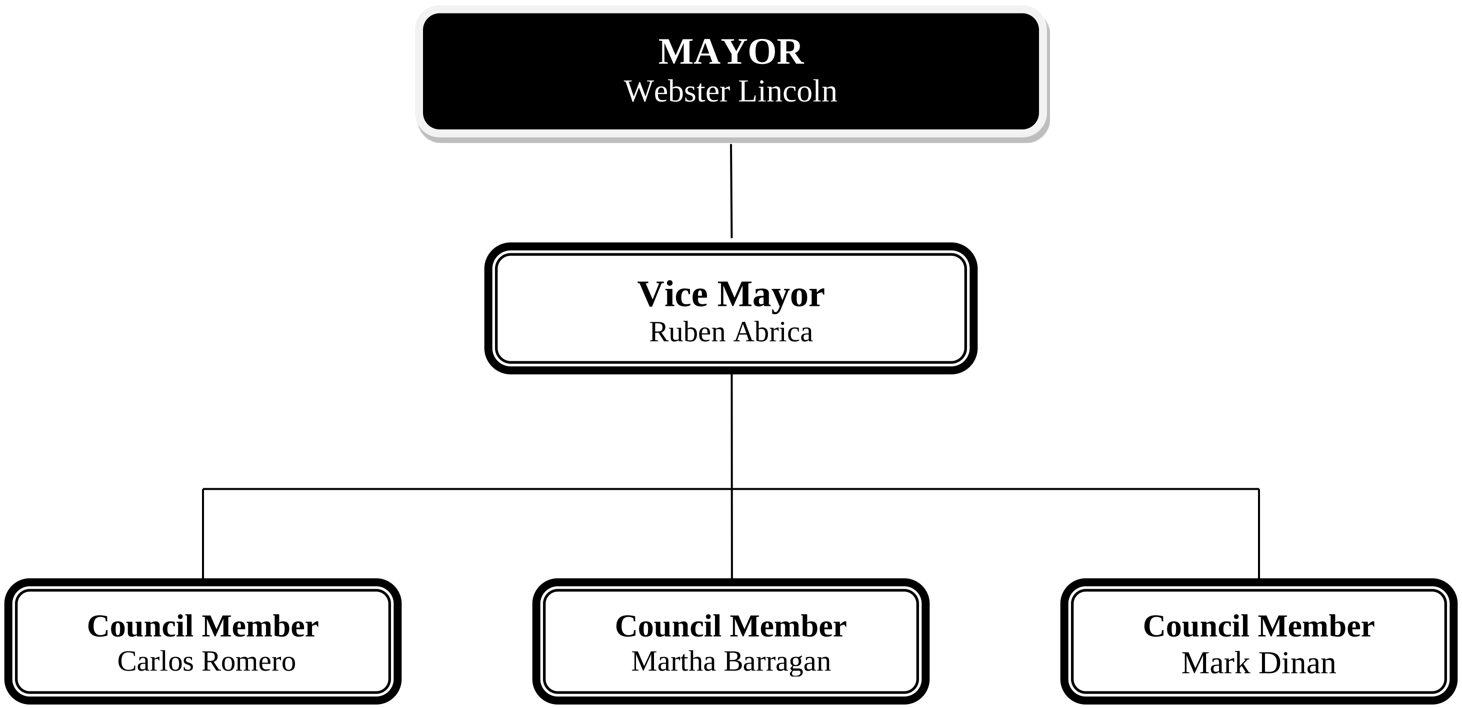
The FY 2026-27 Proposed Budget reflects an increase of $2,247 (+0.8%) compared to the FY 2025-26 Adopted Budget. The increase is mainly driven by higher expenditures for supplies and materials (+$4,000) and salaries and benefits (+$2,747). This increase is partially offset by decreased expenditures in purchased services (-$4,500).

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	$279,605		
2026-27 Proposed	$281,852	$2,247	0.8%
2026-27 Adopted	$281,852	$0	0.0%

CITY COUNCIL

FY 2026-2027 Budget



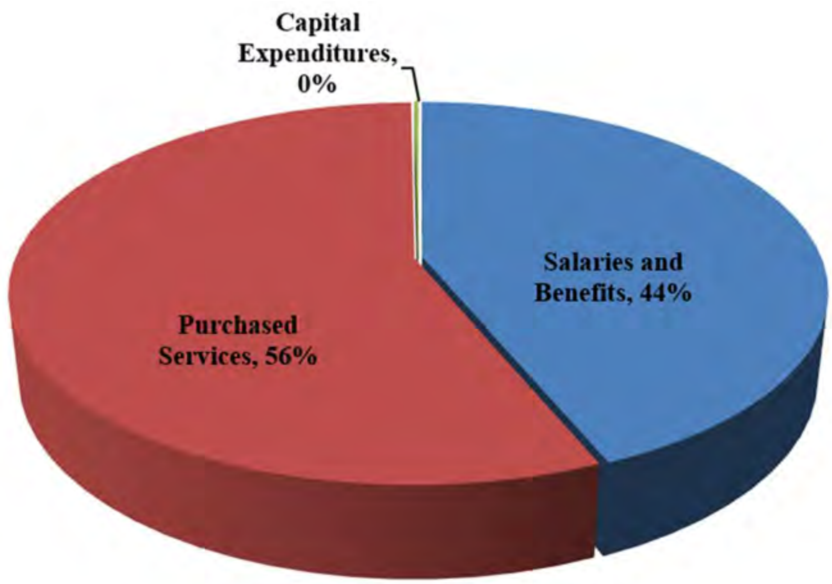
Total FTE’s: 5.0

CITY ATTORNEY'S OFFICE

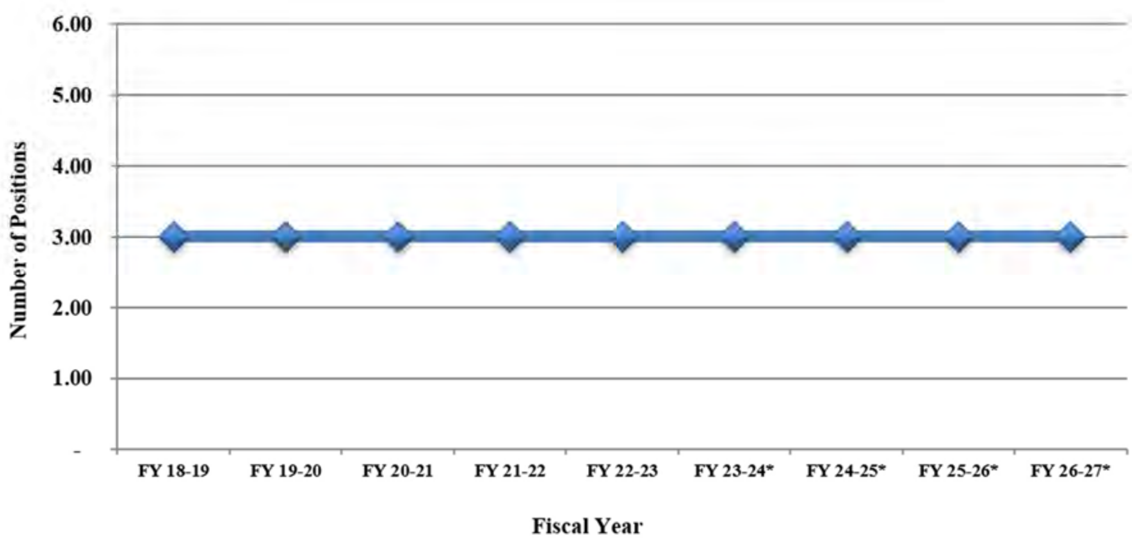
FY 2026-2027 Budget

FY 2026-27	
Operating	$1,680,505
Positions	3

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY ATTORNEY'S OFFICE

FY 2026-2027 Budget

Department Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	957,282	1,072,305	1,461,060	1,617,805	1,617,805
Special Revenue Funds	6,987	(3,995)	42,500	10,700	10,700
Capital Project Fund	-	-	-	-	-
Enterprise Funds	5,000	219,233	47,000	50,600	50,600
Succesor Agency Trust Fund	-	-	1,400	1,400	1,400
TOTAL	**969,269**	**1,287,543**	**1,551,960**	**1,680,505**	**1,680,505**

EXPENDITURES BY DEPARTMENT	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
City Attorney's Office	969,269	1,287,543	1,551,960	1,680,505	1,680,505
TOTAL	**969,269**	**1,287,543**	**1,551,960**	**1,680,505**	**1,680,505**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	478,172	663,964	709,510	734,215	734,215
Subtotal	**478,172**	**663,964**	**709,510**	**734,215**	**734,215**
Supplies and Services					
Purchased Services	488,089	620,309	798,600	943,040	943,040
Supplies and Materials	3,008	3,270	5,750	3,250	3,250
Capital Expenditures	-	-	38,100	-	-
Other Expenditures	-	-	-	-	-
Subtotal	**491,097**	**623,579**	**842,450**	**946,290**	**946,290**
TOTAL	**969,269**	**1,287,543**	**1,551,960**	**1,680,505**	**1,680,505**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
City Attorney	1.00	1.00	1.00	1.00	1.00
Deputy City Attorney I/II	1.00	1.00	1.00	1.00	1.00
Paralegal[1]	-	-	1.00	1.00	1.00
Legal Assistant	1.00	1.00	-	-	-
TOTAL	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY ATTORNEY'S OFFICE

FY 2026-2027 Budget

Department Summary

MISSION STATEMENT

Provide legal advice and representation, consistent with the highest professional and ethical standards, to the City Council, City officers, City employees, and appointed boards, commissions, and committees in carrying out the City Council's policies and strategic goals and objectives and advancing the City's interest in serving the people of East Palo Alto while limiting risk to the entity and costs to the taxpayers.

The role of the City Attorney's Office is to provide advisory and litigation services to the City, as represented by the City Council, City Council-appointed boards, commissions and committees, and City departments. The Office has a staffing level of three positions: City Attorney, Deputy City Attorney and Legal Assistant.

The emphasis in the Fiscal Year 2026-2027 budget is the continued delivery of quality professional legal services which promote reliable and useful advice and effective advocacy. The basic services include attendance and advice at public meetings, drafting resolutions and ordinances, providing legal opinions and advice on a wide range of municipal topics, reviewing and drafting legal documents and contracts, providing advice regarding elected and appointed public officials' conflicts of interest, representing the City in litigation before courts and administrative agencies and settling claims and lawsuits based on an impartial evaluation of their merits.

Within each of the basic services provided, the City Attorney's Office undertakes projects that specifically address the City Council's Strategic Plan Goals and Objectives:

- Provide proactive legal advice to the City Council and City staff, including provide regular legal updates to the Council and staff on legal developments that impact the City (e.g., El Dorado County case involving impact fees, Coalition on Homelessness case impacting public camping enforcement, Sutter's Place case affecting regulatory fees, Pimental case and Humboldt case relating to fines and penalties, 1001 Buddhas case relating to building appeals, etc.);

- Issue opinions and draft documents that help achieve the City Council's Strategic Plan and the City Manager's priority action items;

- Advise on significant changes in state and federal law and other regulations impacting City operations and programs, including instituting a working group within the City to observe legislative changes and take affirmative steps to ensure compliance;

- Present Brown Act, Conflict of Interest (Levine Act), and Public Records Act training to the City staff, boards and commissions, and provide legal advice regarding the same;

- Defend the City's interest in court and administrative hearings and initiate legal action to protect the rights and enhance the quality of life of City residents;
- Provide objective and reasonable interpretation of City Council-adopted policies, state and local laws and other matters, as appropriate;

- Draft ordinances on topics designated as high priority by the City Council (e.g., Procurement Ordinance or Rent Registry Ordinance);

Department Summary
(Continued)

- Update, revise and add provisions to the Municipal Code and local zoning law as required, including revisions to the Zoning Ordinance related to adoption of the Housing Element;
- Work with the City Manager's Office to reduce exposure to claims, litigation and industrial injuries/illnesses;
- Support the Rent Stabilization Program, including providing legal advice to staff and the Rent Stabilization Board; preparing reports and analyzing appeals; updating program regulations; attending board meetings; and
- Support the Community and Economic Development Department, including providing legal advice to staff and the Planning Commission, attending Commission meetings and analyzing land use issues related to adopted development projects.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026-27 Proposed Budget reflects an overall increase of $128,545 (8.3%) compared to the FY 2025-26 Adopted Budget. This increase is primarily attributable to higher purchased services costs of $144,440 and increased personnel expenses of $24,705. These increases are partially offset by reductions of $38,100 in capital expenditures and $2,500 in supplies and materials.

The FY 2026-27 Proposed Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	$1,551,960		
2026-27 Proposed	$1,680,505	$128,545	8.3%
2026-27 Adopted	$1,680,505	$0	0.0%

CITY ATTORNEY'S OFFICE

FY 2026-2027 Budget

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Attend and provide advice at City Council meetings and EPASD Board meetings and provide the City Council an update of any relevant changes in applicable law, including, regarding public meetings and conflicts of interest.	Accomplished.
2.	Assist the City Council and the City Manager's Office implement Council priorities.	Accomplished.
3.	Attend and provide advice at Planning Commission meetings.	Accomplished.
4.	Attend and provide advice at Rent Stabilization Board meetings.	Accomplished.
5.	Provide training to City boards, commissions, and committees regarding the Brown Act, Public Records Act, conflict of interest laws, and other relevant areas of the law.	Accomplished.
6.	Represent the City in lawsuits and administrative hearing and pursue cost-effective resolution of pending litigation matters and the processing and settlement of claims filed against the City, including affirmative litigation opportunities (e.g., PCBs, PFAS/PFOS, Johals case, etc.)	Accomplished.
7.	Provide legal advice to all City departments regarding responses to PRA requests, record retention and subpoenas, including response and compliance with such requests by providing trainings to staff, assisting in procurement/implementation of related tracking and review software and establishing a procedure for responding to requests for Council or Boards/Commissions.	Accomplished.
8.	Draft, review, and process City contracts, agreements, and other legal documents.	Accomplished.
9.	Support the City Council, Human Resources, and other City departments on labor and employment matters.	Accomplished.
10.	Provide legal advice to the City Council, Planning Commission and City departments on major project applications, including AB 130/projects, proposed amendments to DAs, IHO ordinance, and IHO interpretations (alternative compliance), consistent with Council direction.	Ongoing.

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
11.	Support the Public Works Department on various matters, including water infrastructure, and sewer-related matters (Sewer Ordinance amendment).	Ongoing.
12.	Provide training to staff on various issues, including staff report writing, contractual risk transfer and procurement procedures.	Ongoing.
13.	Assist with the drafting and legal risk analysis of various ordinances, including First Source Hiring, TDM Ordinance, proposed Carpenter’s Union Ordinance.	Accomplished/Ongoing.
14.	Sidewalk Vending Ordinance	Accomplished. Ordinance has been adopted. Ongoing as to implementation and outreach efforts.
15.	Permit Parking Ordinance	Accomplished. Ordinance has been adopted. Ongoing as to implementation and outreach efforts.
16.	TDM Ordinance	Ongoing (near completion).
17.	First Source Hiring	Accomplished (Analysis). Implementation (amendment) ongoing.
18.	Municode Review and Enforcement (Parking/Street Vending and Blight)	Ongoing (recently added).
19.	Ballot Measure to Amend UUT to include streaming platforms.	Ongoing (recently added; monitoring case law).
20.	Provide legal support for various initiatives, including City Attorney Work Plan (existing and amendments as part of recent review cycle).	Ongoing.
21.	Reach Code adoption (AB 130); Legal Memo.	Ongoing (near-completion).
22.	Negotiation of MOU for Civic Center, Police Station and Track & Field Facility	Accomplished.
23.	Negotiation of Real Estate and Land Deals, including Corp Yard, Civic Center Parcel	Ongoing.
24.	Advise on Municipal Bond Offering (General Obligation Bond for Civic Center), including advising on Political Reform Act issues	Ongoing.
25.	Term Limits Ballot Measure	Ongoing.
26.	Inclusionary Housing Ordinance Amendments	Ongoing.
27.	Amendments to Sewer Ordinance (Palo Alto).	Ongoing.

CITY ATTORNEY'S OFFICE

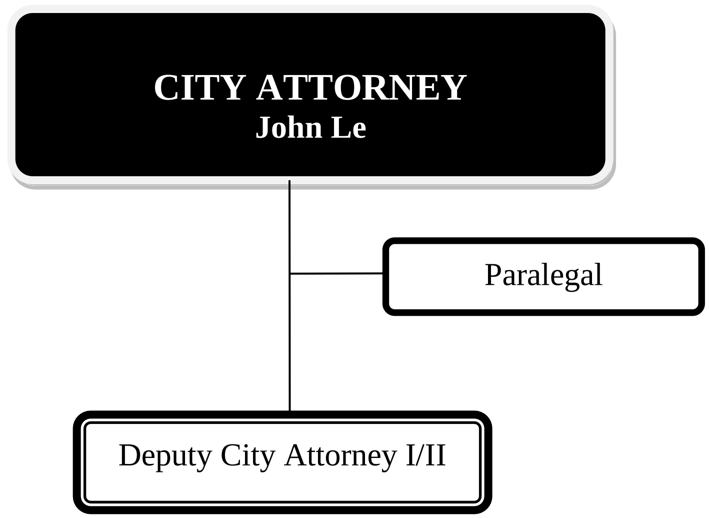
FY 2026-2027 Budget

OBJECTIVES

1.	Attend and provide advice at City Council meetings and provide the City Council an update of any relevant changes in applicable law, including regarding public meetings and conflicts of interest.
2.	Assist the City Council and the City Manager's Office implement Council priorities.
3.	Attend and provide advice at Planning Commission meetings.
4.	Attend and provide advice at Rent Stabilization Board meetings.
5.	Provide training to City boards, commissions, and committees regarding the Brown Act, Public Records Act, conflict of interest laws, and other relevant areas of the law.
6.	Represent the City in lawsuits and administrative hearing and pursue cost-effective resolution of pending litigation matters and the processing and settlement of claims filed against the City, including affirmative litigation opportunities (e.g., PCBs, PFAS/PFOS, Yu case, Johals case, etc.)
7.	Provide legal advice to all City departments regarding responses to PRA requests, record retention and subpoenas, including response and compliance with such requests by providing trainings to staff, assisting in procurement/implementation of related tracking and review software and establishing a procedure for responding to requests for Council or Boards/Commissions.
8.	Draft, review, and process City contracts, agreements, and other legal documents.
9.	Support the City Council, Human Resources, and other City departments on labor and employment matters.
10.	Provide legal advice to the City Council, Planning Commission and City departments on major project applications, including AB130/projects, proposed amendments to DAs, IHO ordinance, and IHO interpretation.
11.	Support the Public Works Department on various matters, including water infrastructure, and sewer-related matters (Sewer Ordinance amendment).
12.	Assist with the drafting and legal risk analysis of various ordinances, including First Source Hiring, TDM Ordinance, proposed Carpenter's Union Ordinance.
13.	Provide legal support for various initiatives including City Attorney Work Plan (existing and amendments as part of recent review cycle).
14.	Municode Review and Enforcement (Parking Street Vending and Blight).
15.	Continue to Work on Prior Council Priorities for the City Attorney's Office.
16.	Ballot Measure to Amend UUT to include streaming platforms.

CITY ATTORNEY'S OFFICE

FY 2026-2027 Budget



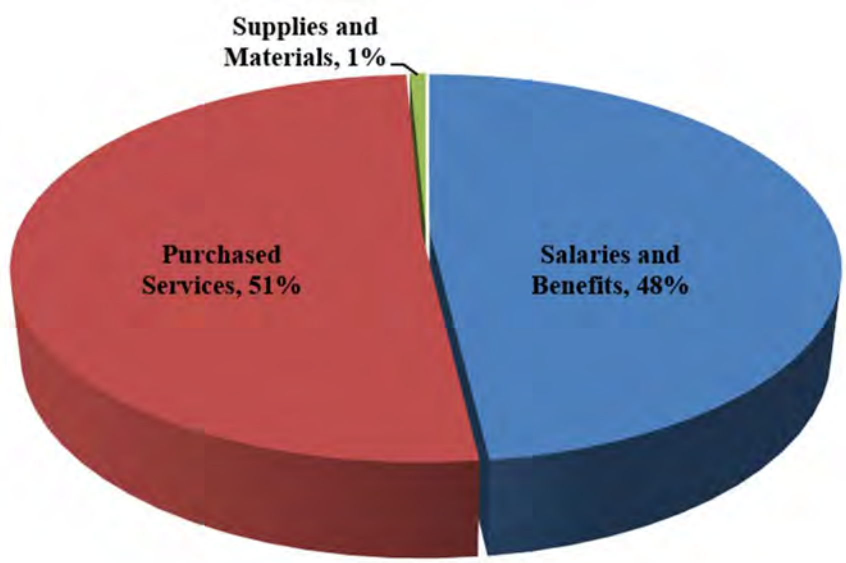
Total FTE's: 3.0

CITY CLERK'S OFFICE

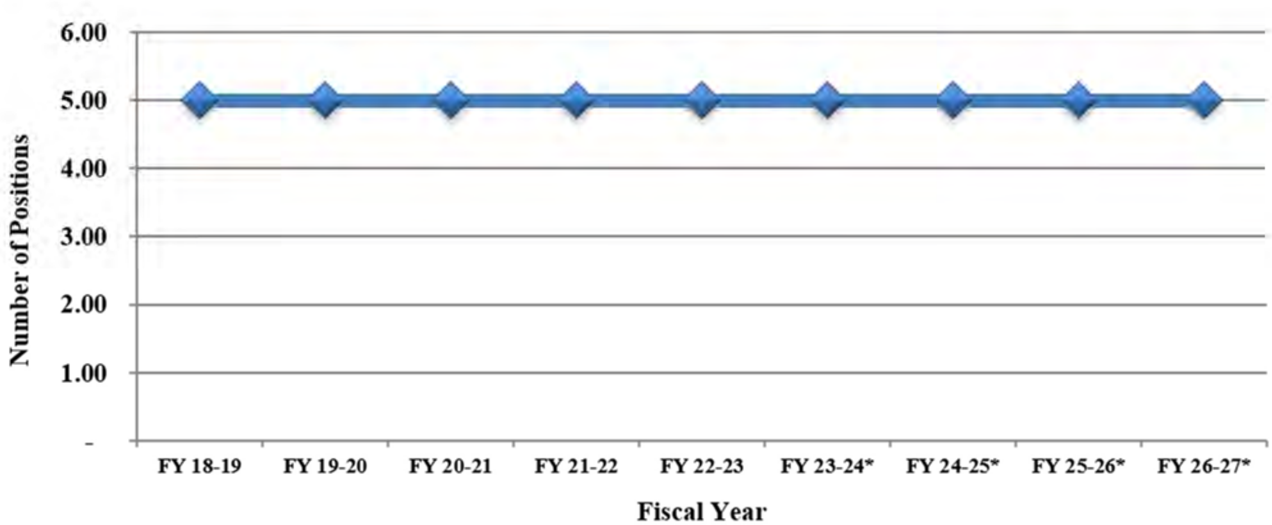
FY 2026-2027 Budget

FY 2026-27	
Operating	$667,379
Positions	2

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY CLERK'S OFFICE

FY 2026-2027 Budget

Department Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	265,775	436,094	581,228	667,379	667,379
Special Revenue Funds	-	-	-	-	-
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**265,775**	**436,094**	**581,228**	**667,379**	**667,379**

EXPENDITURES BY DEPARTMENT	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
City Clerk's Office	265,775	436,094	581,228	667,379	667,379
TOTAL	**265,775**	**436,094**	**581,228**	**667,379**	**667,379**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	179,853	252,931	289,840	321,091	321,091
Subtotal	**179,853**	**252,931**	**289,840**	**321,091**	**321,091**
Supplies and Services					
Purchased Services	84,551	171,462	289,088	341,288	341,288
Supplies and Materials	1,371	11,701	2,300	5,000	5,000
Capital Expenditures	-	-	-	-	-
Other Expenditures	-	-	-	-	-
Subtotal	**85,922**	**183,163**	**291,388**	**346,288**	**346,288**
TOTAL	**265,775**	**436,094**	**581,228**	**667,379**	**667,379**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
City Clerk - Public Information Officer	1.00	1.00	1.00	1.00	1.00
Assistant City Clerk[1]	0.00	1.00	1.00	1.00	1.00
TOTAL	**1.00**	**1.00**	**2.00**	**2.00**	**2.00**

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.
[1]FY 2026-27: Position title changed from Office Assistant to Assistant City Clerk.

CITY CLERK’S OFFICE

FY 2026-2027 Budget

MISSION STATEMENT

The City Clerk’s Office is committed to providing our residents of East Palo Alto with accurate and transparent official City records and documents, dedicated to supporting the City Council and other City Departments with outstanding support, and dedicated to working with the State of California and the Federal Government to ensure compliance with applicable laws and regulations.

The City Clerk’s Office functions as a sole position in Office with administrative support from the City Manager’s Office.

The Clerk is responsible for facilitating the conduct of business by the City Council and fulfilling legal requirements as set forth in the City Code, federal and State laws. The City Clerk’s Office administers City elections and campaign and financial disclosure laws. The City Clerk’s Office maintains a record of all proceedings of the City Council; meets all requirements regarding public postings, legal advertising, recordation, and mailing of public hearing notices. The Office also processes appeals and administers the selection process for Council appointment of members to City board, commissions, and committees.

The City Clerk’s Office provides administrative and travel assistance to Council, maintains the City Code, is the custodian of the City Seal, administers oaths or affirmations, and maintains the official record of City contracts and agreements. The Office also performs critical media outreach and information functions to improve communication of City information and engage the community through modern media platforms.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026-27 Proposed Budget reflects an overall increase of $86,151 (14.8%) compared to the FY 2025-26 Adopted Budget. The increase is primarily driven by higher salaries and benefits costs of $31,251, increased purchased services expenditures of $52,200, and an increase of $2,700 in supplies and materials.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous	% Change From Previous
2025-26 Adopted	$581,228		
2026-27 Proposed	$667,379	$86,151	14.8%
2026-27 Adopted	$667,379	$0	0.0%

CITY CLERK'S OFFICE

FY 2026-2027 Budget

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Implement Sister City and Cultural Exchange initiative.	The City formalized a Sister City partnership with Kolofoʻou, Tonga, including an official signing ceremony and commemorative event. Ongoing efforts include planning a follow-up visit with Tongan dignitaries to strengthen cultural ties.
2.	Upgrade and launch new City website.	The City Clerk's office has established a dedicated committee to guide the organization and structure of the new website and will soon be issuing a Request for Proposals (RFP) to move forward with its development and implementation.
3.	Continue to improve social media outreach and engagement.	The City Clerk's office enhanced its social media presence by increasing consistent, relevant content and using analytics to improve engagement and community awareness.
4.	Implement communications plan.	The City Clerk's office has initiated the development of a comprehensive communications plan and will be issuing a Request for Proposals (RFP) to support its creation and implementation, ensuring consistent and strategic messaging across all departments.
5.	Implement a Boards and Commissions engagement plan.	The City Clerk's office is currently working with a group of staff members to address Boards and Commissions engagement, including brainstorming strategies to improve processes, communication, and participation. A formal plan is expected in the coming months, in time to support upcoming recruitment efforts for Boards and Commissions.

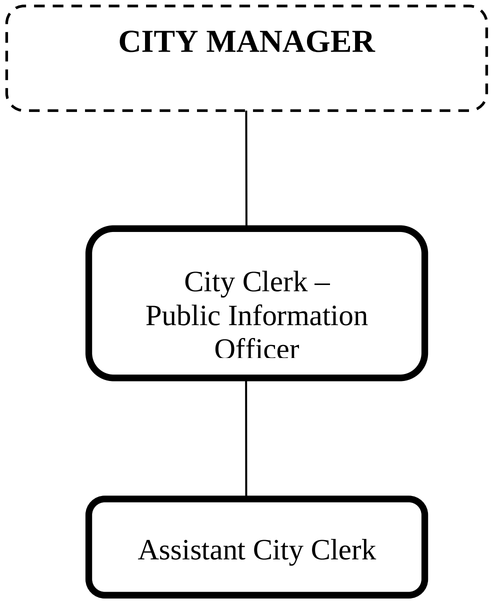
CITY CLERK'S OFFICE

FY 2026-2027 Budget

OBJECTIVES

1.	Enhance Agenda and Meeting Management Efficiency.
2.	Continue to improve social media outreach and engagement.
3.	Modernize Records Management Systems.
4.	Strengthen Crisis and Emergency Communications.
5.	Develop and Implement a Comprehensive Communications Plan.

CITY CLERK'S OFFICE
FY 2026-2027 Budget



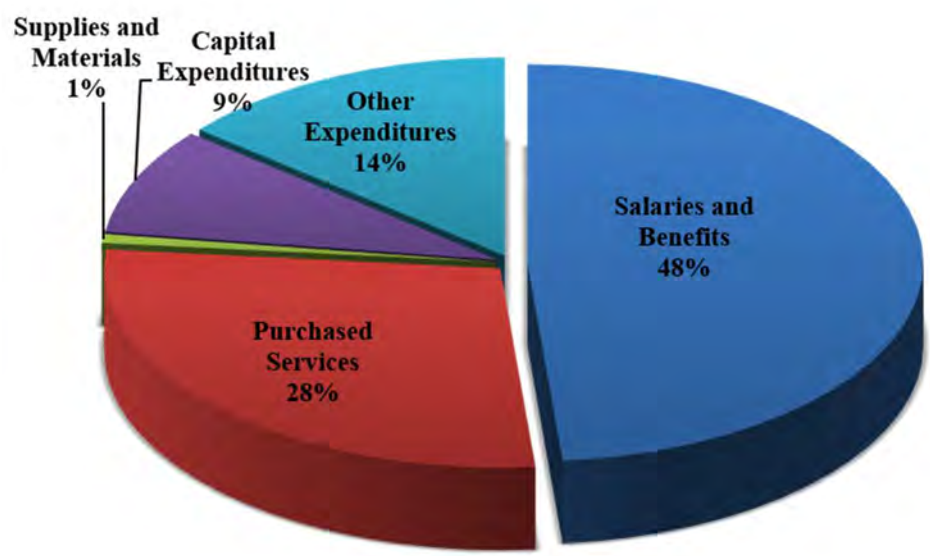
Total FTE's: 2.0

CITY MANAGER'S OFFICE

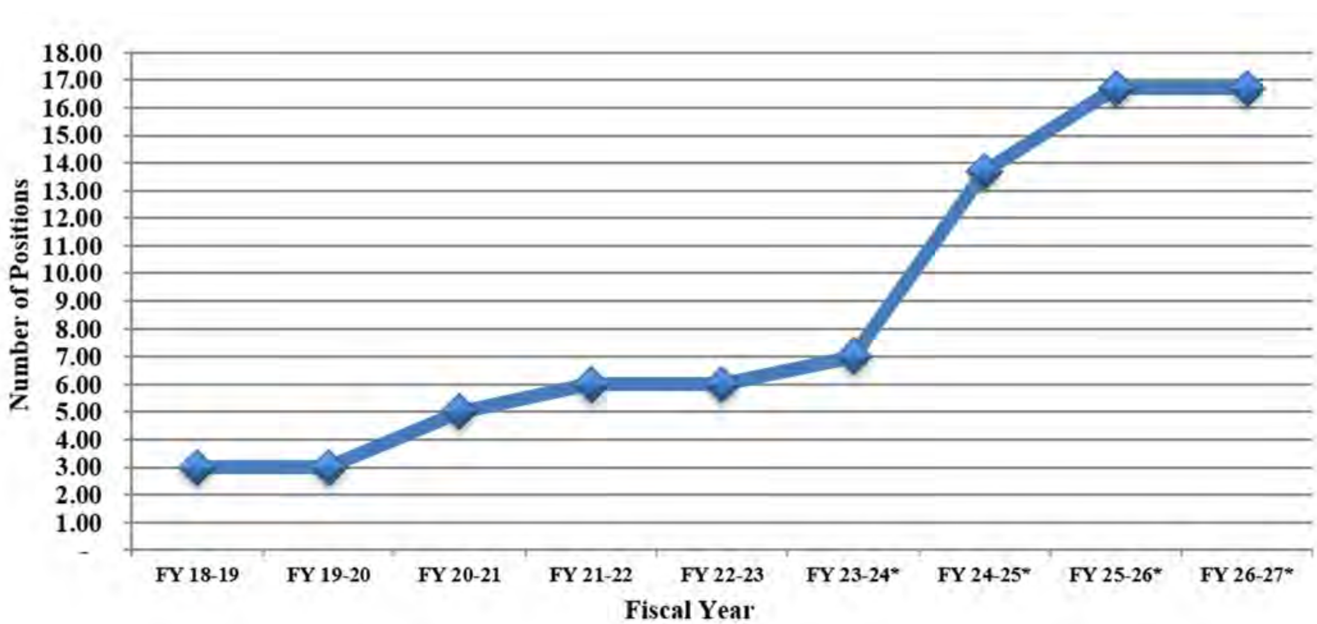
FY 2026-2027 Budget

FY 2026-27	
Operating	$6,943,822
Positions	16.7

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

CITY MANAGER'S OFFICE

FY 2026-27 Budget

Department Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	2,293,258	4,592,872	6,391,414	5,653,822	5,653,822
Special Revenue Funds	-	574,590	2,950,000	1,290,000	1,290,000
Capital Project Funds	3,284	-	-	-	-
Enterprise Funds	51,516	19,410	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**2,348,058**	**5,186,872**	**9,341,414**	**6,943,822**	**6,943,822**

EXPENDITURES BY DEPARTMENT	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
City Manager's Office	1,418,308	2,178,605	3,282,587	2,661,543	2,661,543
Human Resources Division	929,750	1,323,768	1,351,914	1,188,176	1,188,176
Community Programs[1]	-	1,243,659	3,941,000	2,489,091	2,489,091
Senior Programs[1]	-	440,840	765,913	605,012	605,012
TOTAL	**2,348,058**	**5,186,872**	**9,341,414**	**6,943,822**	**6,943,822**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	1,657,183	2,737,321	3,346,064	3,373,372	3,373,372
Subtotal	**1,657,183**	**2,737,321**	**3,346,064**	**3,373,372**	**3,373,372**
Supplies and Services					
Purchased Services	639,405	1,773,661	4,599,050	1,940,450	1,940,450
Supplies and Materials	40,168	80,674	51,300	50,000	50,000
Capital Expenditures	10,000	22,950	740,000	605,000	605,000
Other Expenditures	1,300	572,266	605,000	975,000	975,000
Subtotal	**690,873**	**2,449,551**	**5,995,350**	**3,570,450**	**3,570,450**
TOTAL	**2,348,056**	**5,186,872**	**9,341,414**	**6,943,822**	**6,943,822**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
City Manager's Office	5.00	4.00	7.00	7.00	7.00
Human Resources Division	2.00	2.00	2.00	4.00	4.00
Community Services Division[1]	0.00	5.70	5.70	5.70	5.70
TOTAL	**7.00**	**11.70**	**14.70**	**16.70**	**16.70**

[1] Division transferred to City Manager's Office from Administrative Services effective FY 2024-25.

*Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Department Summary

MISSION STATEMENT

The City Manager is responsible for ensuring the efficient delivery of municipal services and is accountable to the City Council for the performance of the City organization. The City Manager also develops recommendations and strategies to meet the current and future needs of the East Palo Alto community and to implement the Strategic Priorities of the City Council. Along with the City professional staff, the City Manager provides technical and administrative support and advice to the City Council in the performance of its duties.

The City Council appoints the City Manager to lead the municipal corporation. The City Manager's main role is to ensure effective and efficient management of all City programs, projects and services. The City Manager's Office (CMO) is comprised of the Administration, Community Services, Human Resources and Information Technology Divisions. The CMO fosters collaboration within the municipal organization as well externally with State, County, and local stakeholders.

The CMO oversees the City Council Strategic Priorities across all City departments. This team helps the City Council by suggesting and enforcing administrative, fiscal, and operational policies and by ensuring that the information provided for City Council decisions is thorough and reliable.

The Department comprises a total 16.7 FTE staff members.

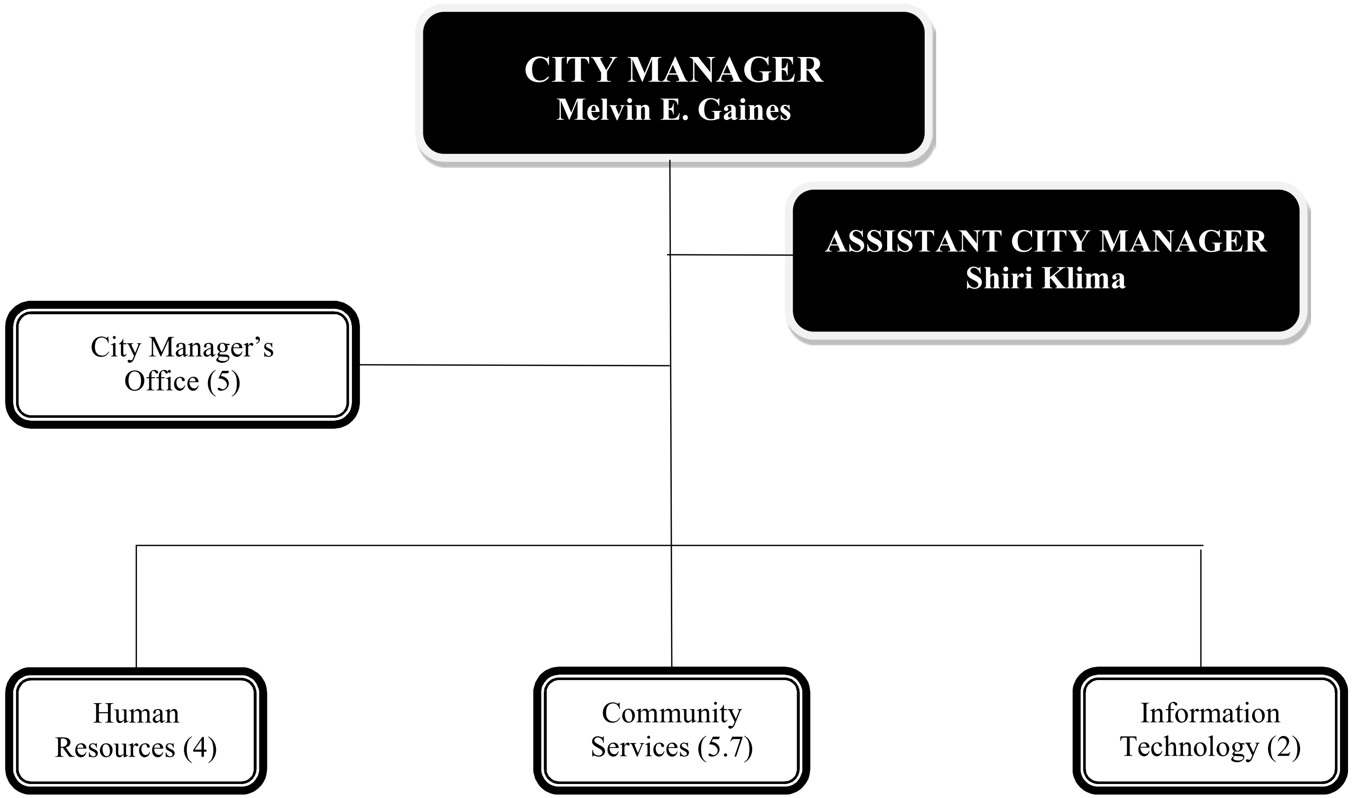
Admin (5 FTEs)
- 1 City Manager
- 1 Assistant City Manager
- 2 Assistants to the City Manager
- 1 Executive Assistant to City Manager

Community Services (5.7 FTEs)
- 1 Community Services Manager
- 1 Recreational Coordinator
- 1.45 Recreational Leader (1FTE and 1PT, subject to Council approval)
- 1 Van Driver (2 PT)
- 0.75 Nutrition Site Supervisor
- 0.5 Kitchen Aide

Human Resources (4 FTEs)
- 1 HR Manager
- 1 HR Technician
- Management Analyst I/II Ltd
- Human Resources Technician I/II Ltd

Information Technology (2 FTEs)
- 1 IT Manager
- 1 Information Technology Specialist I-II

CITY MANAGER’S OFFICE
FY 2026-2027 Budget



Total FTE’s: 16.7

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Division Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-		-	-	-
Use of Resources	1,363,508	2,159,487	3,282,587	2,661,543	2,661,543
Special Revenue Funds	-	-	-	-	-
Capital Project Funds	3,284	-	-	-	-
Enterprise Funds	51,516	19,118	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**1,418,308**	**2,178,605**	**3,282,587**	**2,661,543**	**2,661,543**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
City Manager's Office	1,418,308	2,178,605	3,282,587	2,661,543	2,661,543
TOTAL	**1,418,308**	**2,178,605**	**3,282,587**	**2,661,543**	**2,661,543**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	1,101,046	1,468,092	1,957,187	1,885,643	1,885,643
Subtotal	**1,101,046**	**1,468,092**	**1,957,187**	**1,885,643**	**1,885,643**
Supplies and Services					
Purchased Services	300,066	702,813	1,317,400	770,400	770,400
Supplies and Materials	7,194	5,160	8,000	5,500	5,500
Capital Expenditures	10,000	2,540	-	-	-
Other Expenditures	-	-	-	-	-
Subtotal	**317,260**	**710,513**	**1,325,400**	**775,900**	**775,900**
TOTAL	**1,418,306**	**2,178,605**	**3,282,587**	**2,661,543**	**2,661,543**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
City Manager/General Manager	1.00	1.00	1.00	1.00	1.00
Assistant City Manager/Assistant General Manager	1.00	1.00	1.00	1.00	1.00
Assistant to the City Manager Ltd*	1.00	-	-	-	-
Assistant to the City Manager	-	-	2.00	2.00	2.00
Senior Management Analyst	1.00	1.00	-	-	-
Information Technology (IT) Manager	-	-	1.00	1.00	1.00
Information Technology (IT) Specialist I/II	-	-	1.00	1.00	1.00
Executive Assistant to City Manager	1.00	1.00	1.00	1.00	1.00
TOTAL	**5.00**	**4.00**	**7.00**	**7.00**	**7.00**

*Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

CITY MANAGER’S OFFICE

FY 2026-2027 Budget

Administration Division Summary

SERVICE DESCRIPTION

The City Manager’s Office serves as the Chief Executive Officer and manages programs and policies, ensuring effective execution to support the City’s mission. The Office collaborates with federal, State, and local stakeholders and directs and oversees implementation of Council strategic planning and priorities. The City Manager’s Office performs oversight of the organization to provide professional delivery of quality public services, efficient government, community health and safety, fiscal stability, organizational effectiveness and development, economic vitality, quality of life, and resident involvement.

The City Manager’s Office is organized into the following programmatic functions: Administration and Policy Oversight, Cross-departmental Project Coordination, Human Resources, Information Technology, and Community Services. The Office directly oversees Human Resources, Information Technology, and Community Services. Significant functional oversight includes:

1. City personnel, budget, and major cross-departmental programs, projects and initiatives.
2. Planning and implementation of Council Strategic priorities and goals.
3. Collaborating with stakeholders regarding City functions; and
4. Making recommendations to Council on a variety of issues and initiatives.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects a decrease of $621,044, or 18.9%, compared to the FY 2025–26 Adopted Budget. This reduction is primarily attributable to lower expenditures in salaries and benefits ($71,544), purchased services ($547,000), and supplies and materials ($2,500).

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	$3,282,587		
2026-27 Proposed	$2,661,543	($621,044)	-18.9%
2026-27 Adopted	$2,661,543	$0	0.0%

CITY MANAGER'S OFFICE
FY 2026-2027 Budget

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Prepare the City for disasters and emergencies by developing a comprehensive plan and detailed implementation strategies that includes preparing, educating, exercising, and recovery measures.	Advanced the City's disaster preparedness by updating the Emergency Operations Plan, conducting staff training and emergency exercises, coordinating with partner agencies, expanding community outreach, installing smoke alarms, and developing systems to track emergency agreements and distribute preparedness resources
2.	Adopt an economic development strategic plan with various implementable projects to achieve potential short-term goals and maintain economic sustainability.	Developed and adopted the Economic Development Strategic Plan and 5-year Implementation Plan, incorporating stakeholder input and initiating execution of priority projects to support economic sustainability.
3.	Prepare an infrastructure bond for 2026.	Advanced preparation of a November 2026 infrastructure ballot measure by conducting community feasibility surveys, refining funding strategy for a proposed $90 million measure, and initiating outreach and informational efforts to the community to support public understanding.
4.	Plan for the development of a Community Hub/Civic Center, which will include a new library, Police department, administrative offices, and park.	Advanced planning for a new Civic Center by pursuing funding and partnership opportunities, refining financing strategies, and awarding the architectural design contract to initiate design, site planning, and entitlement activities.
5.	Initiate a five-year performance audit of all departments and divisions to identify ways to improve system and process efficiencies.	Initiated a five-year performance audit by issuing a Request for Proposals for consulting services and planning to engage a consultant in FY 2026–27 to begin the audit process.
6.	Implement Shopping Cart Abatement Program.	Initiated development of a Shopping Cart Abatement Program by conducting preliminary research on program models and best practices from other jurisdictions.
7.	Implement a pop-up/sidewalk vending policy and program.	Developed and secured City Council adoption of a sidewalk vending ordinance by conducting research, community outreach, and policy analysis. Staff is currently advancing implementation planning, including program materials, outreach, and administrative processes.
8.	Distribute the Community Resource Grant funds for senior home repair assistance, small business assistance, senior programs and youth civic engagement activities.	Advanced Community Resource Grant initiatives by securing City Council approval of the Youth Commission implementation plan, City Council approval of a one-year agreement with the County to implement the Senior Home Repair Program, progressing procurement for a senior services evaluation, and conducting research to inform the structure of a small business assistance program

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
		aligned with the Economic Development Strategic Plan.
9.	Work with the San Mateo County Libraries to identify and implement a comprehensive funding strategy for library construction.	Advanced development of a comprehensive funding strategy for library construction by integrating library funding into the broader Civic Center financing approach, including a capital campaign and potential ballot measure, and initiating fundraising efforts in coordination with project partners.
10.	Finalize acquisition of County-owned Beech Street property.	Advanced acquisition of the County-owned Beech Street property by reaching conceptual agreement terms with the County, securing City Council direction on the transaction framework, and initiating development of agreements to support property transfer and finalize the transaction.

CITY MANAGER’S OFFICE

FY 2026-2027 Budget

OBJECTIVES

1.	Develop and implement a comprehensive funding strategy for library construction in collaboration with San Mateo County Libraries.
2.	Prepare and advance a 2026 ballot measure to fund infrastructure improvements and public facilities.
3.	Plan for the development of a new Civic Center facility, including key components, design, and implementation strategy.
4.	Design and implement a “pop-up”/sidewalk vending policy and program that supports equitable entrepreneurship while ensuring health and safety.
5.	Implement the Economic Development Strategic Plan with a focus on supporting small and micro businesses.
6.	Launch and implement a comprehensive emergency preparedness program focused on readiness, response, and community education.
7.	Develop and implement a program to distribute Community Resource Funds grants for small business assistance.
8.	Assess utility operations and develop a transition plan for post-lease operations.
9.	Finalize acquisition of the County-owned Beech Street property.
10.	Develop and implement a Shopping Cart Abatement Program.

This Page Intentionally Left Blank

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Human Resources Division

Division Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	929,750	1,323,476	1,351,914	1,188,176	1,188,176
Special Revenue Funds	-	-	-	-	-
Capital Project Funds	-	-	-	-	-
Enterprise Funds	-	292	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**929,750**	**1,323,768**	**1,351,914**	**1,188,176**	**1,188,176**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Human Resources Division	929,750	1,323,768	1,351,914	1,188,176	1,188,176
TOTAL	**929,750**	**1,323,768**	**1,351,914**	**1,188,176**	**1,188,176**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	556,137	701,184	764,114	829,176	829,176
Subtotal	**556,137**	**701,184**	**764,114**	**829,176**	**829,176**
Supplies and Services					
Purchased Services	339,339	561,266	423,000	325,500	325,500
Supplies and Materials	32,974	40,908	14,800	18,500	18,500
Capital Expenditures	-	20,410	150,000	15,000	15,000
Other Expenditures	1,300	-	-	-	-
Subtotal	**373,613**	**622,584**	**587,800**	**359,000**	**359,000**
TOTAL	**929,750**	**1,323,768**	**1,351,914**	**1,188,176**	**1,188,176**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Human Resources Manager	1.00	1.00	1.00	1.00	1.00
Human Resources Assistant	1.00	1.00	1.00	1.00	1.00
Management Analyst I/II Ltd*	-	-	1.00	1.00	1.00
Human Resources Technician I/II Ltd*	-	-	1.00	1.00	1.00
TOTAL	**2.00**	**2.00**	**4.00**	**4.00**	**4.00**

*Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

Human Resources Division Summary

SERVICE DESCRIPTION

Human Resources provides guidance and support to City departments, employees, officials, candidates, and the public in the areas of benefit administration, classification and compensation, labor and employee relations, recruitment and selection, organizational development and training, workers' compensation administration, risk management, and compliance.

Our objective is to attract the most diverse, competent, professional, and talented workforce as well as retain a talented and well-qualified workforce and help foster a positive working environment for employees.

The Human Resources (HR) Division currently is within the City Manager's Office with four positions: Human Resources Manager, Management Analyst I and two (2) Human Resources Technician I/II.

Core functions of the HR Division include:

- Recruiting, attracting new staff, and filling vacant positions with talented and well-qualified candidates;
- Providing labor negotiations to three bargaining units; meet and confer with labor representatives to cultivate and foster a positive working environment and build collaboration among all divisions;
- Serving as a liaison between departments, employees and leadership, ensuring clear and consistent communication of policies and initiatives;
- Providing disability and leave management, employee advocacy and engagement by administering job-protected leaves (FMLA, CFRA, ADA, etc.), and support reasonable accommodations process;
- Promoting a respectful and inclusive workplace by providing confidential support, to employees and facilitating issue resolution.
- Reviewing and interpreting policies and procedures to provide guidance for Directors/Managers/ Supervisors to resolve issues;
- Maintaining the respective functions of the Enterprise Resource Planning (ERP) software to ensure that the HR processes are setup correctly;
- Managing and maintaining the City's Human Resources Information System (HRIS).
- Maintaining and developing the employee wellness policies and programs;
- Managing and providing support and guidance to management when dealing with personnel issues, employee performance evaluations, salary step increases, grievances, exit interviews for resignations, and retirement;
- Conducting new hire orientation on quarterly basis;
- Developing and ensuring professional staff development and training opportunities;
- Managing and conducting benefit meetings to provide employees with information regarding medical, dental, life insurance, retirement, and other benefits;
- Developing and implementing a workers' compensation management program;

Human Resources Division Summary

The HR Division is increasingly requiring additional staff assistance due to the shift of responsibility and high-volume work projects and compliance tasks. The Division has been impacted by numerous compliance issues, personnel responses, HR informational system management, new initiatives for local emergency response, and other tasks.

The Division's budget includes additional temporary funding to backfill staff services and additional outside professional services to address work impacts related to new workload expectations; however, long-term the current staff level and current workload may not be sustainable.

HR's emphasis for the Fiscal Year 2026-2027 is to continue working to achieve the City of East Palo Alto's strategic mission while ensuring City employees are engaged and motivated to help East Palo Alto residents, businesses, organizations, and visitors. This will be accomplished by identifying issues and executing corrective measures effectively.

The Human Resources team has targeted its operation initiatives to align to the City Council's Strategic Plan by initially identifying ways to continue to retain and develop training programs for our great staff. The HR Division's goal is to be a proactive results-oriented business partner providing support to all levels of the City. We aim to hire the best people, while offering development and training to our existing staff.

The focus this year is to proactively support organizational resilience and employee engagement through strategic initiatives this year focused on workforce well-being, legal compliance, and market competitiveness through the following projects:

- Classification and Compensation Update: Lead citywide updates to job classifications and compensation structures to align with current duties, best practices, and employment laws. The initiatives promote internal equity, succession planning, workforce stability, and fiscal responsibility, while enhancing the City's ability to attract and retain top talent. Following these updates, conduct strategic labor negotiations with SEIU, MEA, and EPA POA to secure agreements that support retention, market competitiveness, and long-term fiscal sustainability. **Completion targets:** Job classifications – November 2026; Compensation study – January 2027.
- Organizational Growth: Drive organizational growth by ensuring the Administrative Pool Pilot Program achieves measurable success through comprehensive support, clear guidance, and effective tools for management and participants. Simultaneously, develop a robust succession planning program that cultivates future leaders via targeted training, strategic projects, and mentorship, aligning individual growth with organizational objectives and strengthening leadership pipelines.

Human Resources will continue to network with other local public agencies within the County of San Mateo and around California, attending webinars and conferences in efforts to stay informed of federal, State and local developments and changes in laws that may affect our City.

Human Resources Division Summary

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects a decrease of $135,592, or 10.2%, compared to the FY 2025–26 Adopted Budget. The reduction is primarily attributable to lower expenditures for capital expenditures ($135,000) and purchased services ($97,500). These savings are partially offset by an increase of $65,062 in salaries and benefits.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	$1,351,914		
2026-27 Proposed	$1,188,176	($135,592)	-10.2%
2026-27 Adopted	$1,188,176	$0	0.0%

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Human Resources Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Continue to improve marketing strategy to recruit and retain qualified staff.	Marketing strategy is working; vacancy rate is 8%.
2.	Update the classification specifications.	Estimated completion November 2026.
3.	Update the compensation study.	Estimated completion January 2027.
4.	Conduct an ergonomic citywide refresh.	Completed – January 2026. Zero reportable incidents for FY 2025-26.
5.	Update the City's personnel policies and procedures.	In process – Estimated completion by June 2026.
6.	Increase labor management check-in meetings.	HR meets with Local 21 and SEIU quarterly,

OBJECTIVES

1.	Lead a citywide update of job classifications to align with current duties, best practices, and employment laws (SB 1100, 1162). The project involves collaboration with staff, departments, and labor groups to modernize specifications, promote internal equity, support succession planning, and ensure legally defensible recruitment and promotion processes. Estimated completion: November 2026.
2.	Conduct a comprehensive analysis of the City's compensation structure to attract and retain top-tier talent in a competitive labor market while maintaining fiscal responsibility. This includes updating the existing compensation study with current benchmark data, implementing equity adjustments, and strategically positioning pay to align with organizational goals. The initiative enhances workforce stability, supports long-term fiscal planning, reduces employee turnover, and strengthens the City's reputation as an employer of choice. Estimated completion: January 2027.
3.	Following the completion of the comprehensive compensation and classification studies, conduct strategic negotiations with SEIU, MEA, and EPA POA to secure agreements that advance organizational objectives. This process will ensure alignment of compensation structures with market benchmarks, reinforce internal equity, support employee retention, and uphold the City's long-term fiscal sustainability.
4.	Ensure the successful implementation and outcomes of the Administrative Pool Pilot Program by providing comprehensive support to management and participating employees. This includes offering clear guidance, effective tools, and resources that enable all stakeholders to fully engage with the program, optimize performance, and contribute to its overall success. The approach emphasizes collaboration, accountability, and continuous improvement to achieve measurable results and inform future program expansion.
5.	Create a succession plan program that develops future leaders by combining targeted training, strategic thinking, and intentional career pathing. Employees engage in skill-building opportunities, participate in cross-functional projects to enhance strategic decision-making, and receive mentorship to define clear advancement paths. The program strengthens leadership pipelines, supports continuous learning, and aligns individual growth with organizational goals.

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Community Services & Recreation Division

Division Summary

SOURCES	FY 2023-24[1] Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	-	1,109,909	1,756,913	1,804,103	1,804,103
Special Revenue Funds	-	574,590	2,950,000	1,290,000	1,290,000
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**-**	**1,684,499**	**4,706,913**	**3,094,103**	**3,094,103**

EXPENDITURES BY DIVISION	FY 2023-24[1] Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Community Programs	-	1,243,659	3,941,000	2,489,091	2,489,091
Senior Programs	-	440,840	765,913	605,012	605,012
TOTAL	**-**	**1,684,499**	**4,706,913**	**3,094,103**	**3,094,103**

CHARACTER OF EXPENDITURES	FY 2023-24[1] Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	-	568,045	624,763	658,553	658,553
Subtotal	**-**	**568,045**	**624,763**	**658,553**	**658,553**
Supplies and Services					
Purchased Services	-	509,582	2,858,650	844,550	844,550
Supplies and Materials	-	34,606	28,500	26,000	26,000
Capital Expenditures	-	-	590,000	590,000	590,000
Other Expenditures	-	572,266	605,000	975,000	975,000
Subtotal	**-**	**1,116,454**	**4,082,150**	**2,435,550**	**2,435,550**
TOTAL	**-**	**1,684,499**	**4,706,913**	**3,094,103**	**3,094,103**

AUTHORIZED FTE	FY 2023-24[1] Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Community Services Manager	-	1.00	1.00	1.00	1.00
Community Services Supervisor[2]	-	1.00	1.00	1.00	1.00
Recreation Leader II (1 FTE, 1 PT)	-	1.45	1.45	1.45	1.45
Van Drivers (2-PT)	-	1.00	1.00	1.00	1.00
Nutrition Site Supervisor (PT)	-	0.75	0.75	0.75	0.75
Kitchen Aide (PT)	-	0.50	0.50	0.50	0.50
TOTAL	**-**	**5.70**	**5.70**	**5.70**	**5.70**

[1] Division transferred to City Manager's Office from Administrative Services effective FY 2024-25.

[2] FY 2026-27: Position title changed from Recreation Coordinator to Community Services Supervisor.

*Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

Community Services Division Summary

SERVICE DESCRIPTION

Community Services is responsible for an array of services and facilities for residents and visitors to our City. Responsibilities include senior services, facility and park reservations, family and children programming, city-sponsored events, sports, leisure, and urban arts programing.

The Focus is on providing efficient, responsive, and innovative community-based services that promotes a healthy and safe neighborhood that meets the communities' diverse cultural, recreation, and information needs.

The Division is staffed with 5.70 full-time equivalent positions:

- 1 Community Services Manager
- 1 Community Services Supervisor
- 1 Part-Time (0.75) Nutrition Site Supervisor
- 1 Part-Time (0.5) Kitchen Aide
- 2 Part-Time Van Drivers (1.0)
- 1 Full-Time and 1 Part-Time (0.45) Recreation Leaders

The Community Services Division activities rely heavily on interdepartmental, inter-jurisdictional, and community partnerships to deliver services that enhance the quality of life for East Palo Alto residents with a focused effort on increasing community engagement. The Community Services Division provides staffing support to the Senior Advisory Committee, including efforts to fill vacancies with committed residents that represent the myriad of skill/talent, community senior interests, and cultural diversity of the community.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget is $1,612,810, or 34.3%, lower than the FY 2025–26 Adopted Budget. This decrease is primarily attributable to reductions in purchased services and supplies and materials totaling $2,016,600, partially offset by increases in salaries and benefits and other expenditures totaling $403,790.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	$4,706,913		
2026-27 Proposed	$3,094,103	($1,612,810)	-34.3%
2026-27 Adopted	$3,094,103	$0	0.0%

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Community Services Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Complete the evaluation of the Youth Commission project and launch said initiative or pivot to alternative based on information received.	Completed robust Community Engagement strategy and received approval to move forward with three-year implementation plan for Youth Commission and Youth Task Force.
2.	Launch pilot Dog Park to determine feasibility for permanent space at Martin Luther King Junior Park or other site.	In process of completing Pilot Dog Park by adoption of budget.
3.	Work with Ravenswood School District to rollout Memorandum of Understanding/JUA to expand available parkland space for residents.	Looking to create a more significant approach to the joint use agreement that will serve the community more appropriately.
4.	Maintain and expand senior and disabled individuals' vulnerability and emergency contact database.	Working on strategy to incorporate this into other funding mechanisms like Transient Occupancy Tax and/or Emergency Preparedness.
5.	Conduct comprehensive evaluation of the Senior Center (as required per contract).	Evaluation of the Senior Center will be completed by budget adoption in June 2026 and full assessment will be completed by October 2026.
6.	Implement quick-win projects from the Parks Master Plan.	Completion of scoreboard installation was in March. Cooley Landing AV Upgrades and Pilot Dog Park tentative for June 2026, Stadium Lighting and Park lighting improvements scheduled completion is October 2026.
7.	Fund Community Services for YMCA, such as subsidized memberships.	Completed and is currently in the evaluation phase and project goals have been met each quarter.
8.	Fund Community Services for EPACENTER to expand services and programs.	Completed and following changes to the schedule, we are in evaluation phase to be done by July 2026.

Community Services Division

OBJECTIVES

1.	Continue making long deferred improvements to parks in the community that were outlined and requested in the Parks Master Plan.
2.	Make use of Park/Open Space to improve citywide communication and identify new ways to streamline outreach.
3.	Improve Senior Services community wide by making use of the Senior Services Assessment & Draft Plan.

Information Technology Division Summary

SERVICE DESCRIPTION

The Information Technology (IT) Division functions as the City's primary technological cornerstone, assuming full responsibility for the design, implementation, and continuous stewardship of the municipality's digital landscape. By providing a robust and reliable infrastructure, the division ensures that every municipal department possesses the critical tools and technical support required to perform their daily operations with maximum efficiency and security.

The Information Technology (IT) Division currently is within the City Manager's Office with two permanent positions: Information Technology Manager, and Information Technology Specialist I-II.

Core functions of the IT Division include:

1. Network Infrastructure Management:

- **Wired and Wireless Network Support:** Design, implementation, maintenance, and troubleshooting of the City's local area network (LAN), wide area network (WAN) and wireless network (Wi-Fi) infrastructure across all City facilities.
- **Internet Connectivity Management:** Ensuring reliable and secure internet access for all City operations.
- **Network Security:** Implementing and maintaining firewalls, intrusion detection/prevention systems, virtual private network (VPNs), and other security measures to protect the City's network and data from cyber threats.
- **Network Monitoring and Performance Management:** Proactive monitoring of network health and performance to identify and resolve potential issues before they impact operations.

2. Systems and Server Administration:

- **Server Infrastructure Management:** Installation, configuration, maintenance, and monitoring of physical and virtual servers hosting critical City applications and data.
- **Operating System Support:** Providing support for server and desktop operating systems.
- **Data Backup and Recovery:** Implementing and managing robust data backup and recovery solutions to ensure business continuity in the event of data loss.
- **Cloud Services Management:** Evaluating, implementing, and managing cloud-based services as appropriate for City needs (e.g., e-mail, storage, software-as-a-service).

3. End-User Support and Help Desk Services:

- **Technical Support:** Providing timely and effective technical assistance to all City employees for hardware, software, and network-related issues via phone, email, remote access and in-person support.
- **Desktop and Laptop/Tablet Management:** Configuration, deployment, maintenance, and troubleshooting of employee workstations (desktops and laptops) and tablets.
- **Software Installation and Support:** Installing, configuring, and providing basic support for standard City software applications.
-

Information Technology Division Summary

- **User Account Management:** Creating, managing, and disabling user accounts and access permissions.
- **IT Training and Guidance:** Providing basic IT training and guidance to employees on the use of City technology resources and best practices.

4. Application Support and Management:

- **Business Application Support:** Providing technical support for core City applications (e.g., financial management, permitting, public safety systems). This may involve vendor coordination.
- **Database Administration:** Managing and maintaining City databases.
- **Application Integration (as needed):** Assisting with the integration of different software applications to improve data flow and efficiency.

5. IT Security and Compliance:

- **Security Policy Enforcement:** Implementing and enforcing IT security policies and procedures.
- **Security Awareness Training:** Conducting security awareness training for employees to promote safe computing practices.
- **Vulnerability Management:** Identifying and addressing security vulnerabilities in City systems and applications.
- **Compliance with Regulations:** Ensuring IT systems and practices comply with relevant federal, State, and local regulations.

6. IT Planning and Procurement:

- **Technology Needs Assessment:** Collaborating with City departments to understand their technology needs and research, recommend, and implement appropriate solutions.
- **IT Strategic Planning:** Developing and maintaining the City's IT strategic plan, aligning technology investments with organizational goals.
- **Hardware and Software Procurement:** Managing the procurement process for IT hardware, software, and services, ensuring cost-effectiveness and compliance with purchasing policies.
- **IT Budget Management:** Assisting with the development and management of the IT budget.

7. Website and Digital Presence Support:

- **Website Content Management System (CMS) Support:** Providing technical support for the City's website content management system.
- **Basic Website Maintenance (if applicable):** Performing basic website troubleshooting.

Service Levels and Response Times:

The IT Division strives to provide timely and effective support. Specific service levels and response times may vary depending on the severity and complexity of the issue. Prioritization is typically based on impact to critical City operations.

The IT Division is committed to providing reliable and innovative technology solutions that empower the City to effectively serve its community.

CITY MANAGER’S OFFICE

FY 2026-2027 Budget

Information Technology Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Develop a Citywide Information Systems Master Plan.	The 5-Year Information Technology Strategic Plan was submitted to and subsequently approved by the City Council.
2.	Create inter-departmental IT working group to foster communication, share best practices, and proactively address technological needs across the City.	To streamline digital operations and foster organizational synergy, the City established the Tech Governance Committee. This inter-departmental body is dedicated to breaking down silos by creating a unified forum for communication, the scaling of shared best practices, and the proactive identification of technological requirements across all City departments.
3.	Collaborate with other departments to assist with the implementation of new applications and processes as directed by City Council priorities while providing technical expertise and ensuring seamless integration with the existing City infrastructure.	The 5-Year Information Technology Strategic Plan was developed through a comprehensive analysis of recommended strategic priorities, emphasizing a high degree of inter-departmental collaboration. This collaborative process ensured that the final Information Technology Plan—which has been formally presented to and accepted by the City Council—directly supports the implementation of new applications and processes aligned with Council priorities. By leveraging specialized technical expertise, the plan provides a roadmap for delivering modern solutions that maintain seamless integration with the City’s existing infrastructure.
4.	Continue to strengthen cybersecurity and data protection by enhancing cybersecurity posture, improving patch management compliance, strengthening data backup and recovery, and ensuring regulatory compliance.	The 5-Year Information Technology Strategic Plan incorporates a comprehensive cybersecurity component designed to proactively defend the City’s digital assets. Central to this pillar is a commitment to continuous improvement of our cybersecurity posture. By embedding these safeguards into our long-term strategy, the City ensures the resilience of its infrastructure against evolving threats while maintaining operational continuity for all departments.
5.	Continue to explore and implement emerging technologies.	Initiated a strategic research phase into emerging AI and automation technologies as part of the 5-Year Information Technology Strategic Plan. This effort focused on identifying scalable AI use cases to enhance municipal service delivery and operational efficiency.

Information Technology Division

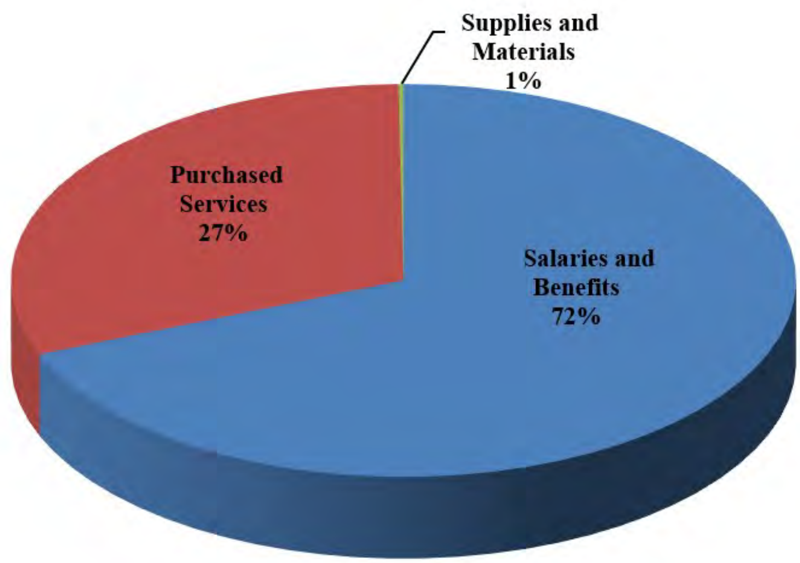
OBJECTIVES

1.	Driven by the five-year IT strategic roadmap, our primary focus is the successful execution and completion of all Year 1 priorities. By adhering to this established timeline, we aim to transform these initial goals into tangible deliverables, ensuring the project maintains its momentum and remains aligned with our long-term organizational vision.

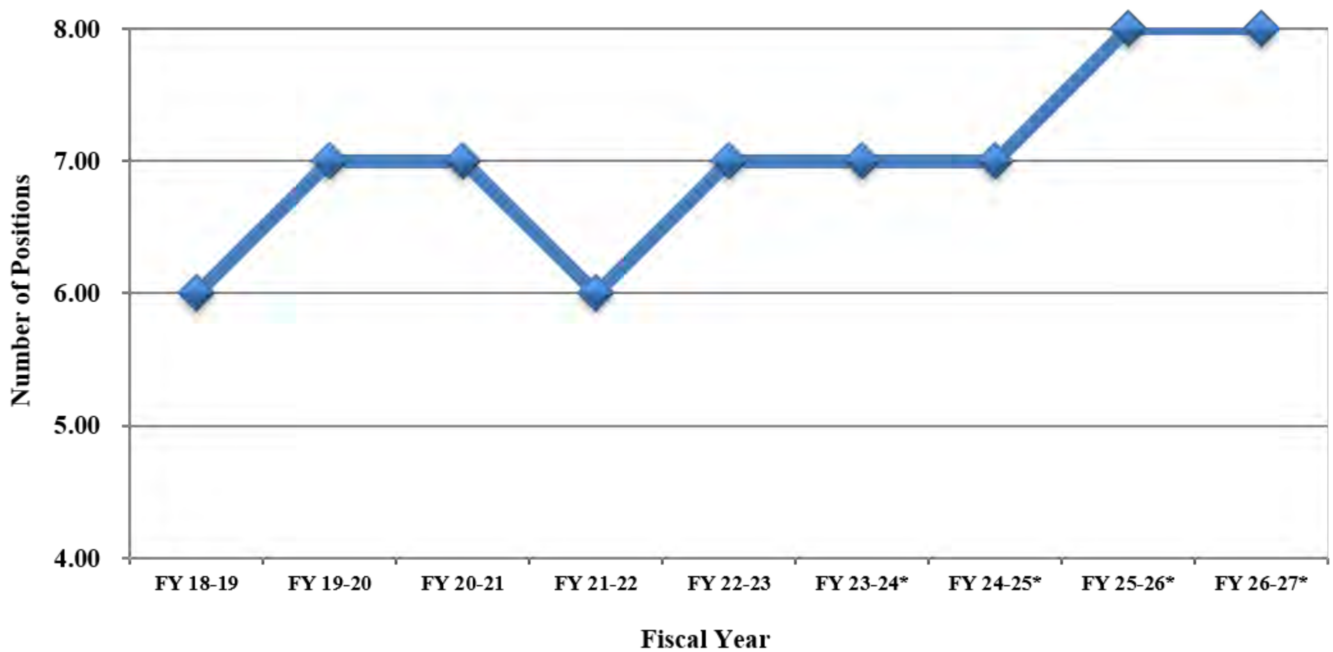
FINANCE DEPARTMENT
FY 2026-2027 Budget

FY 2026-27	
Operating	$2,113,830
Positions	8

CHARACTER OF EXPENDITURES



AUTHORIZED STRENGTH



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

FINANCE DEPARTMENT

FY 2026-2027 Budget

Department Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	1,097,014	-	1,963,136	1,928,635	1,928,635
Special Revenue Funds	1,996	2,060	8,326	8,488	8,488
Capital Project Fund	25,032	51,047	62,671	72,832	72,832
Enterprise Funds	5,738	106,536	59,400	73,500	73,500
Succesor Agency Trust Fund	30,433	27,189	27,593	30,374	30,374
TOTAL	**1,160,213**	**186,831**	**2,121,126**	**2,113,830**	**2,113,830**

EXPENDITURES BY DEPARTMENT	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Finance Department	1,160,213	1,524,635	2,121,126	2,113,830	2,113,830
TOTAL	**1,160,213**	**186,831**	**2,121,126**	**2,113,830**	**2,113,830**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	976,555	1,130,313	1,414,780	1,455,309	1,455,309
Subtotal	**976,555**	**1,130,313**	**1,414,780**	**1,455,309**	**1,455,309**
Supplies and Services					
Purchased Services	174,867	389,048	701,546	654,221	654,221
Supplies and Materials	8,791	3,564	4,800	4,300	4,300
Capital Expenditures	-	-	-	-	-
Other Expenditures	-	1,710	-	-	-
Subtotal	**183,658**	**394,322**	**706,346**	**658,521**	**658,521**
TOTAL	**1,160,213**	**1,524,635**	**2,121,126**	**2,113,830**	**2,113,830**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Finance Director	1.00	1.00	1.00	1.00	1.00
Financial Services Manager	1.00	1.00	1.00	1.00	1.00
Accountant Senior	1.00	1.00	2.00	2.00	2.00
Accountant I	1.00	1.00	1.00	1.00	1.00
Account Technician I/II	2.00	1.00	1.00	1.00	1.00
Senior Accounting Technician	-	1.00	1.00	1.00	1.00
Grant Coordinator	1.00	1.00	1.00	1.00	1.00
TOTAL	**7.00**	**7.00**	**8.00**	**8.00**	**8.00**

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

FINANCE DEPARTMENT

FY 2026-2027 Budget

Department Summary

MISSION STATEMENT

Maintain the financial integrity of the City by providing fiscal management and oversight, including safeguarding assets. Oversee financial, compliance, and operational reviews and/or audits that provide independent and objective analysis of City departments; provide accurate, complete, and timely financial records, and enhance the City's financial reporting systems, controls, and disbursements.

Finance Department functions include administration, financial reporting, tax administration, budgeting, forecasting, cash management and treasury, capital financing and debt management, and risk management. The department has an authorized staffing level of eight positions, including: Finance Director/District Treasurer, Financial Services Manager, Accountant Senior (2), Accountant I, Senior Accounting Technician, Accounting Technician I/II, and Grants Coordinator.

Goals related to the Council Strategic Priorities for Finance Department include:

- Research new and diverse revenue sources, including grants and/or fees
- Maintain 10-year financial forecasts to enhance transparency and accountability
- Assess community needs, strategies, and support for funding public infrastructure initiatives.
- Assist the Sanitary District in developing finance and accounting procedures, improving efficiency, and supporting integration within the City.
- Implement a Centralized Grants Management System.
- Research options for the early termination of the Successor Agency to expedite dissolution and maximize the allocation of local tax revenues.
- Maintain an ongoing focus on improving daily operations to enhance effectiveness and efficiency in serving both City staff and external clients.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects a decrease of $7,296, or 0.3%, compared to the FY 2025–26 Adopted Budget. The decrease is primarily attributable to lower expenditures for purchased services (-$47,325) and supplies and materials (-$500), partially offset by an increase in salaries and benefits (+$40,529).

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change from Previous FY	% Change from Previous FY
2025-26 Adopted	$2,121,126		
2026-27 Proposed	$2,113,830	($7,296)	-0.3%
2026-27 Adopted	$2,113,830	$0	0.0%

FINANCE DEPARTMENT
FY 2026-2027 Budget

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Develop a Long-Term Fiscal Strategy and Structural Deficit Plan (Council Strategic Priority Work Plan).	Ongoing.
2.	Maintain and Update 10-year Financial Projections to Enhance Transparency and Accountability.	Ongoing: The City annually reviews and updates the Forecasting Model using economic indicators and departmental input.
3.	Research Options for the Early Termination of the Successor Agency to Expedite Dissolution and Maximize the Allocation of Local Tax Revenues.	In Progress: In February 2026, the Council approved the early cash defeasance of the Series 2015A Tax Allocation Refunding Bonds, planned for June 2026 and January 2027.
4.	Develop and Implement CalPERS Prefunding Strategy.	In Progress: In February 2026, the Council approved a $3,000,000 appropriation from the City's committed fund balance for Additional Discretionary Payments (ADP) to CalPERS. Staff is coordinating with CalPERS to process and remit the payments per their requirements.
5.	Assess and prepare for utility operational and finance needs (Council Strategic Priority Work Plan).	Ongoing.
6.	Implement a Grants Management System (Council Strategic Priority Work Plan).	Ongoing: Progress is underway, with City staff in the Pause for Change Learning Cohort working toward developing a solution.
7.	Conduct a Comprehensive review of Financial Policies Including Credit Card Policy and Internal Control Policy.	Ongoing.
8.	Complete FY2024-25 Annual Comprehensive Financial Report and submit application to Government Finance Officers Association (GFOA) by December 2025 for both City and Sanitary District.	Completed. ACFR was issued and submitted to GFOA.

FINANCE DEPARTMENT

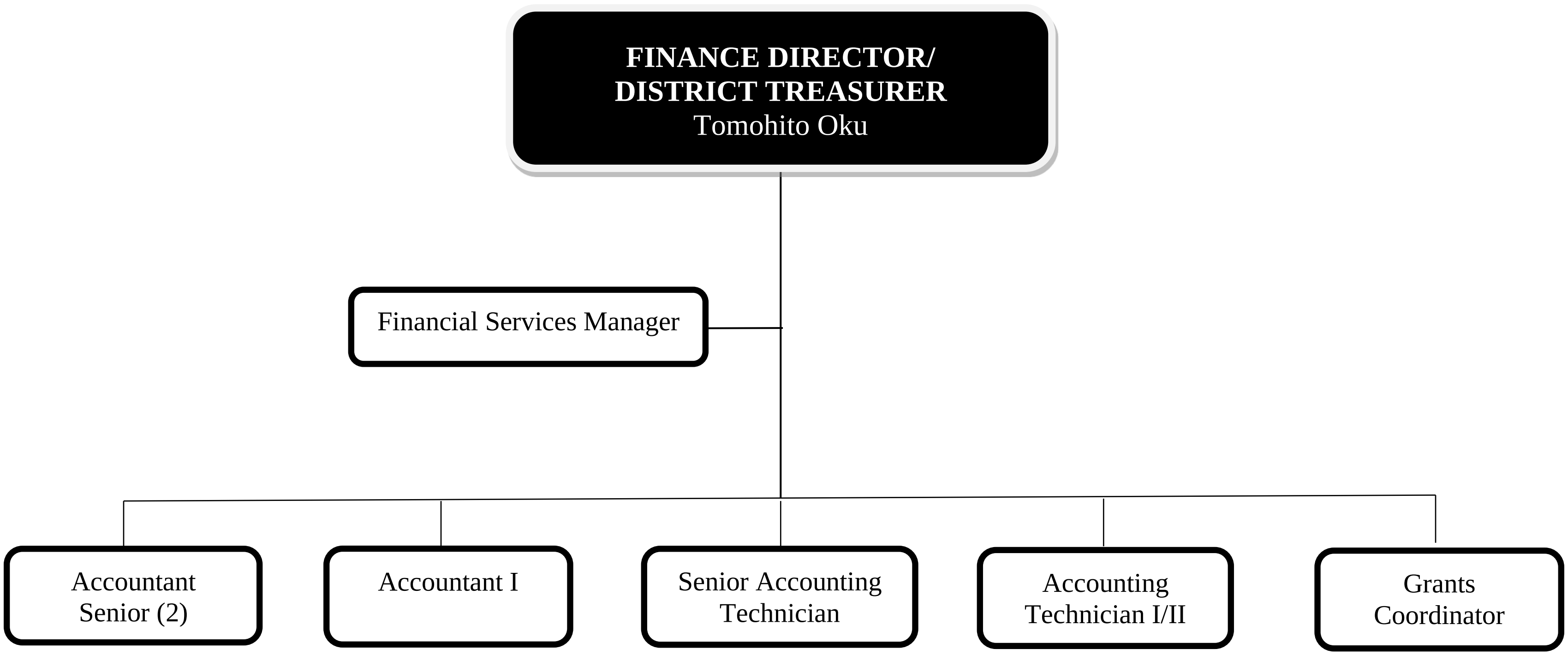
FY 2026-2027 Budget

OBJECTIVES

1.	Develop a Long-Term Fiscal Strategy and Structural Deficit Plan (Council Strategic Priority Work Plan).
2.	Implement the early cash defeasance of the Series 2015A Tax Allocation Refunding Bonds, as approved by the Council in February 2026, with a scheduled defeasance date in January 2027.
3.	Assess and prepare for utility operational and finance needs (Council Strategic Priority Work Plan).
4.	Implement a Grants Management System (Council Strategic Priority Work Plan).
5.	Conduct a Comprehensive review of Financial Policies Including Credit Card Policy and Internal Control Policy.
6.	Complete FY2025-26 Annual Comprehensive Financial Report and submit application to Government Finance Officers Association (GFOA) by December 2026 for both City and Sanitary District.

FINANCE DEPARTMENT

FY 2026-2027 Budget



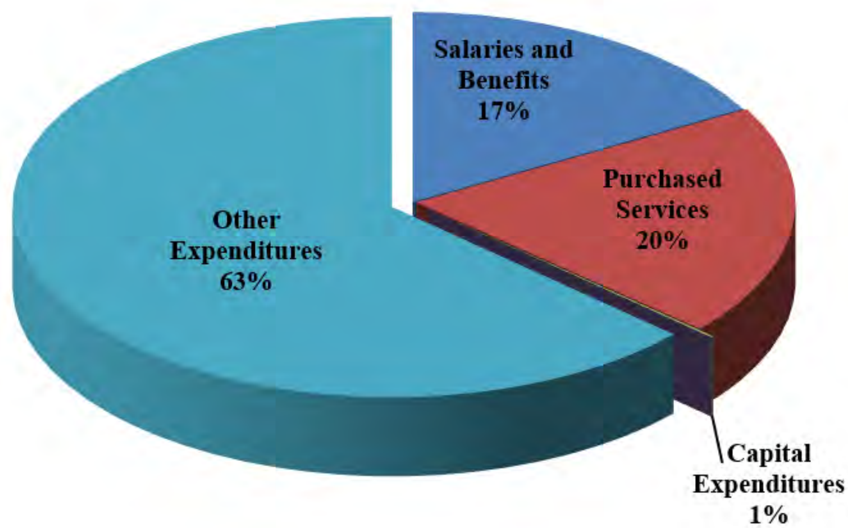
Total FTE's: 8.0

COMMUNITY AND ECONOMIC DEVELOPMENT

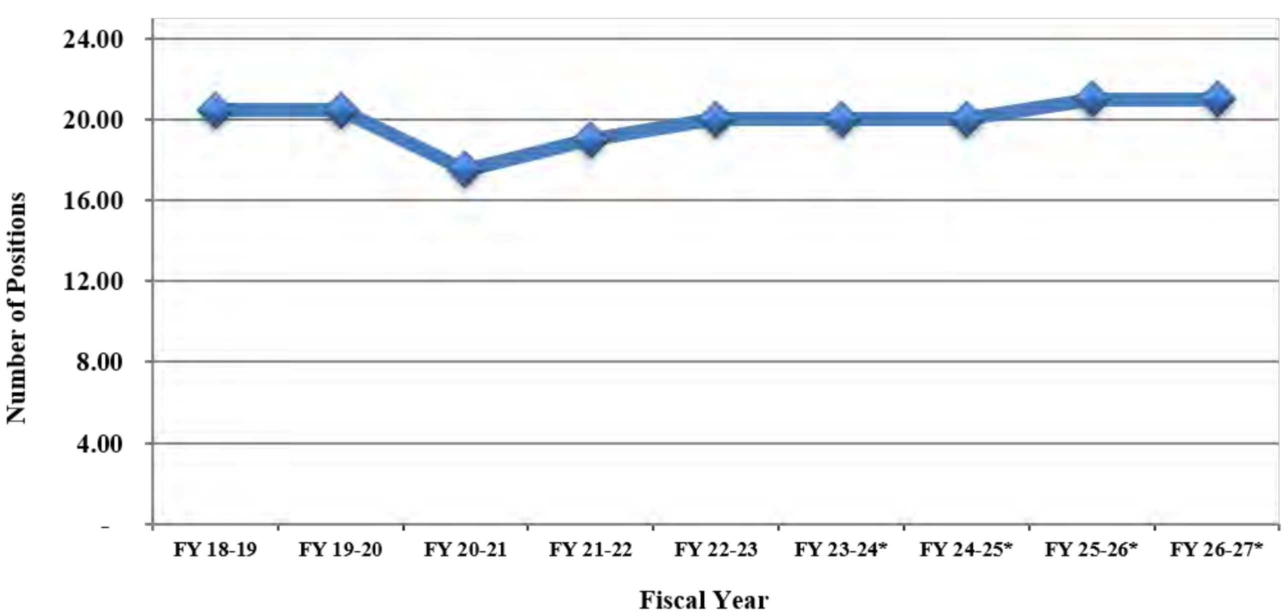
FY 2026-2027 Budget

FY 2026-27	
Operating	$22,268,732
Positions	21

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Department Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	714,232	1,564,006	2,061,132	1,648,481	1,648,481
Use of Resources	2,554,967	2,140,368	2,637,516	1,895,752	1,895,752
Special Revenue Funds	1,800,742	1,253,212	2,450,439	18,724,499	18,724,499
Capital Project Funds	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**5,069,941**	**4,957,586**	**7,149,087**	**22,268,732**	**22,268,732**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Administration Division	680,671	903,385	887,782	789,523	789,523
Building Services Division	1,165,948	1,169,013	1,735,132	1,262,481	1,262,481
Housing & Econ Development	1,698,191	1,587,325	2,798,131	18,542,361	18,542,361
Planning Division	1,525,131	1,297,863	1,728,042	1,674,367	1,674,367
TOTAL	**5,069,941**	**4,957,586**	**7,149,087**	**22,268,732**	**22,268,732**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	2,699,721	2,602,481	3,549,229	3,749,305	3,749,305
Subtotal	**2,699,721**	**2,602,481**	**3,549,229**	**3,749,305**	**3,749,305**
Supplies and Services					
Purchased Services	2,282,873	2,306,532	3,493,958	4,393,283	4,393,283
Supplies and Materials	26,515	33,701	31,601	25,101	25,101
Capital Expenditures	833	74,873	14,300	2,000	2,000
Other Expenditures	60,000	(60,000)	60,000	14,099,044	14,099,044
Subtotal	**2,370,221**	**2,355,106**	**3,599,859**	**18,519,428**	**18,519,428**
TOTAL	**5,069,942**	**4,957,587**	**7,149,088**	**22,268,732**	**22,268,732**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Administration Division	4.00	4.00	4.00	4.00	4.00
Building Services Division	7.00	7.00	7.00	7.00	7.00
Housing & Econ Development	4.00	4.00	5.00	5.00	5.00
Planning Division	5.00	5.00	5.00	5.00	5.00
TOTAL	**20.00**	**20.00**	**21.00**	**21.00**	**21.00**

* Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Department Summary

MISSION STATEMENT

The Community & Economic Development Department seeks to make East Palo Alto a wonderful place to live, work, and play. The Department accomplishes this through effective current and long-range municipal planning, housing management, ensuring code compliance, and managing business attraction, small-business support, economic development, and retention opportunities in East Palo Alto.

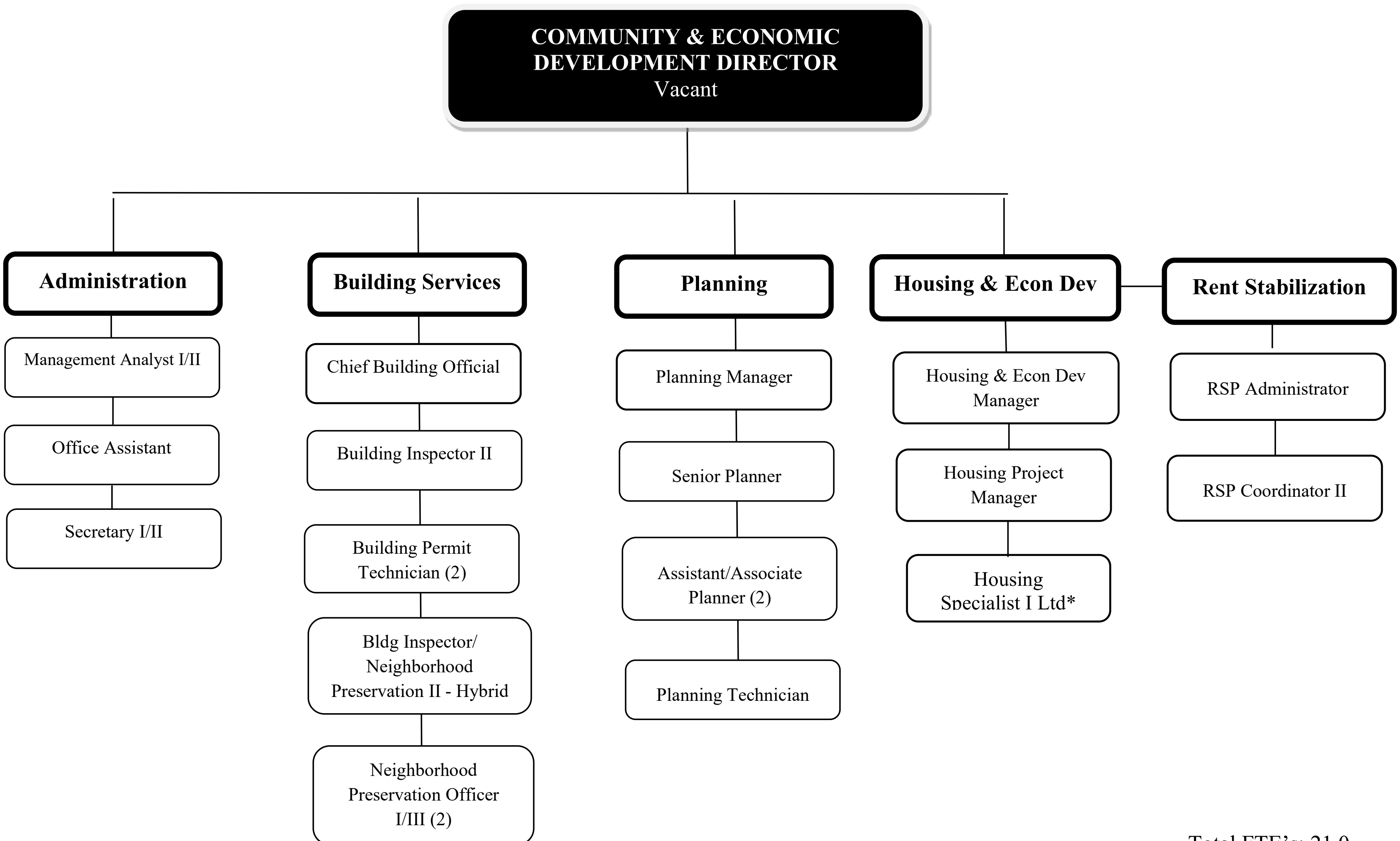
The Community and Economic Development Department consists of four divisions: Administration, Building, Planning, and Housing/Economic Development. The Department is responsible for a wide range of functions including:

- Coordinating and managing the City's development related functions (e.g. planning entitlement and permit processing; long range planning and development review; inspection services; assisting the production, preservation, and protections of affordable housing; and supporting compliance with the building code through enforcement);
- Coordinating business development and retention efforts through both capital projects and direct economic development efforts;
- Providing staff support to the Planning Commission and Rent Stabilization Board;
- Collaborating with regional organizations, such as the County Collaborative: 21 Elements, City/County Association of Governments (C/CAG), Metropolitan Transportation Committee (MTC), the South Bayside Waste Management Authority and the San Francisquito Creek Joint Powers Authority.

.

COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

FY 2026-2027 Budget



Total FTE's: 21.0

Administration Division

Division Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	558,523	797,141	686,231	498,576	498,576
Special Revenue Funds	122,148	106,244	201,551	290,947	290,947
Capital Project Funds	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**680,671**	**903,385**	**887,782**	**789,523**	**789,523**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Administration Division	680,671	903,385	887,782	789,523	789,523
TOTAL	**680,671**	**903,385**	**887,782**	**789,523**	**789,523**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	509,069	753,484	675,672	727,543	727,543
Subtotal	**509,069**	**753,484**	**675,672**	**727,543**	**727,543**
Supplies and Services					
Purchased Services	167,504	146,668	205,210	53,230	53,230
Supplies and Materials	4,098	2,807	6,100	7,750	7,750
Capital Expenditures	-	426	800	1,000	1,000
Other Expenditures	-	-	-	-	-
Subtotal	**171,602**	**149,901**	**212,110**	**61,980**	**61,980**
TOTAL	**680,671**	**903,385**	**887,782**	**789,523**	**789,523**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Community & Econ Development Director	1.00	1.00	1.00	1.00	1.00
Management Analyst II	1.00	1.00	1.00	1.00	1.00
Secretary II	1.00	1.00	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00	1.00	1.00
TOTAL	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**

* Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

Administration Division Summary

SERVICE DESCRIPTION

The Community and Economic Development Department provides a wide array of services to the community. The Department provides planning and development related services to property owners and businesses. The Community and Economic Development Department serves as the focal point for business and economic development efforts as well as administration of local affordable housing funds, implementation of the General Plan and Building Codes, and other services including regional agency coordination.

The Administration of the Community and Economic Development Department is led by the Community and Economic Development Director with the assistance of one Management Analyst I/II and two (2) administrative support staff. The Administration Division manages the activities of and sets policy for the Department, manages budgets, and coordinates grant partnerships and contract administration, and oversees other administrative processes. Additionally, the Administration Division of Community and Economic Development works collaboratively with Public Works and is co-located with the Public Works Administration Division at the Tate Street offices, which is referred to as the City Permit Center.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects a net decrease of $98,259, or 11.1%, compared to the FY 2025–26 Adopted Budget. The decrease is primarily driven by a $151,980 reduction in purchased services expenditures. Partially offsetting these savings are increases of $51,871 in salaries and benefits, $1,650 in supplies and materials, and $200 in capital expenditures.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous	% Change From Previous FY
2025-26 Adopted	$887,782		
2026-27 Proposed	$789,523	($98,259)	-11.1%
2026-27 Adopted	$789,523	$0	0.0%

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Building Services Division

Division Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	359,071	1,169,013	1,735,132	1,262,481	1,262,481
Use of Resources	806,785	-	-	-	-
Special Revenue Funds	92	-	-	-	-
Capital Project Funds	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**1,165,948**	**1,169,013**	**1,735,132**	**1,262,481**	**1,262,481**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Building Services Division	1,165,948	1,169,013	1,735,132	1,262,481	1,262,481
TOTAL	**1,165,948**	**1,169,013**	**1,735,132**	**1,262,481**	**1,262,481**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	750,461	484,423	1,132,246	1,156,148	1,156,148
Subtotal	**750,461**	**484,423**	**1,132,246**	**1,156,148**	**1,156,148**
Supplies and Services					
Purchased Services	407,309	601,106	579,736	94,683	94,683
Supplies and Materials	8,178	9,725	13,150	10,650	10,650
Capital Expenditures	-	73,758	10,000	1,000	1,000
Other Expenditures	-	-	-	-	-
Subtotal	**415,487**	**684,590**	**602,886**	**106,333**	**106,333**
TOTAL	**1,165,948**	**1,169,013**	**1,735,132**	**1,262,481**	**1,262,481**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Chief Building Official	1.00	1.00	1.00	1.00	1.00
Building Inspector II	1.00	1.00	1.00	1.00	1.00
Building Permit Technician	2.00	2.00	2.00	2.00	2.00
Code Enforcement/Bldg Inspector Hybrid	-	-	1.00	1.00	1.00
Code Enforcement Officer II	3.00	3.00	2.00	2.00	2.00
TOTAL	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**

* Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Building Services Division Summary

SERVICE DESCRIPTION

The Building Division ensures that existing and new/proposed development complies with the California Building Standards Code, Title 24, including California Code of Regulations Titles 8 and 19 as mandated by the State of California. The Division provides customer assistance to residents, property owners, contractors, developers, design professionals and businesses via the City's Permit Center. Services include plan review, permit issuance and assistance, building inspections, and enforcement of state and local regulatory laws.

Building Services Division responsibilities include project plan review, inspections, permit activities coordination, evaluation, implementation of codes and policies, and construction-related code enforcement for existing and new buildings and properties of all construction types and occupancies. The goal of the Division is to enforce minimum life safety standards for the built environment, which enhances the quality of life for residents and businesses.

Enhancement and constant improvement of building services and streamlining of the permitting and inspection processes are a major component of the City's economic and business development effort. The Division is managed by the Chief Building Official and is staffed with one Building Inspector, two Neighborhood Preservation Officers, one Building Inspector/Neighborhood Preservation Officer, and two Permit Technicians.

Additionally, the Building Services Division continues to add to customer service and operational efficiencies by developing and distributing educational handouts, policies, procedures, and written interpretations that address enforcement. These resources are also made available online to aid our customers in their efforts related to new construction, additions, alterations, maintenance, and repair of properties and structures in the City of East Palo Alto.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget is $472,651 (27.2%) lower than the FY 2025–26 Adopted Budget. The decrease is primarily attributable to reductions in purchased services ($485,053), capital expenditures ($9,000), and supplies and materials ($2,500), partially offset by a $23,902 increase in salaries and benefits.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	$1,735,132		
2026-27 Proposed	$1,262,481	($472,651)	-27.2%
2026-27 Adopted	$1,262,481	$0	0.0%

Building Services Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Ongoing improvements of service quality, efficiency and customer service levels in all areas of the Building Division's Permit Center, Building Inspections, Building Plan Review, and Code Enforcement.	Continued to improve service quality and operational efficiency across the Permit Center, Building Inspections, Building Plan Review, and Code Enforcement. Implemented electronic plan stamping to streamline permit issuance and reduce manual processing. Actively piloting workflow technologies to further automate routine tasks, improve turnaround times, and enhance the customer experience across all service areas
2.	Implement the 2025 California Building Standards Code and adopted local amendments to maintain safety, sustainability, and code consistency.	Adopted and implemented the 2025 California Building Standards Code in accordance with AB 130, establishing the state baseline as the effective standard for all permit applications. Concurrently adopted local amendments incorporating an updated reach code to advance sustainability and energy efficiency goals.
3.	Continue to support staff to pursue all applicable certification, training, and education in order for staff to develop and achieve their potential for exemplary customer benefits.	Supported staff development through year-round training opportunities, including in-person and remote sessions with CACEO, CALBO, SAP (Safety Assessment Program) Evaluator, and FEMA emergency preparedness programs, ensuring all Building Division staff participated as these sessions occurred. Provided on-the-job training as situational topics arise, enhancing staff's technical and customer service skills.
4.	Conduct targeted public outreach to educate stakeholders on the 2025 code adoption, major changes, and their implications for building permit applicants.	Conducted targeted public outreach to inform stakeholders of the 2025 California Building Standards Code adoption and its implications for permit applicants. Building Division informational handouts and the division website are currently being updated to reflect new code requirements, ensuring applicants have access to current, accurate information prior to submittal.
5.	Launch and support SolarAPP+ for the automated, same-day permitting of eligible residential solar energy systems, improving turnaround time and reducing staff review workload.	Continued piloting SolarAPP+ for automated, same-day permitting of eligible residential solar energy systems. The platform is actively being evaluated to streamline solar permit approvals, reduce staff review workload, and improve turnaround times for applicants.
6.	Conduct proactive code enforcement with dedicated staff time allocated to address Tier 3 code violations, ensuring compliance and community safety.	Conducted proactive code enforcement with dedicated staff time focused on Tier 3 violations. New case intake and case closures are both tracking above annual targets, reflecting sustained enforcement activity and staff commitment to maintaining compliance and community safety citywide.

Building Services Division

OBJECTIVES

1.	Continue to improve operational efficiency across the Permit Center, Building Inspections, Plan Review, and Code Enforcement through technology modernization, electronic workflows, and process improvements that support effective and fiscally responsible service delivery.
2.	Pilot the use of AI-assisted tools to support building code compliance review, with the goal of improving plan check consistency, reducing turnaround times, and supporting the City's development objectives.
3.	Explore and implement AI-assisted workflow tools to automate repetitive administrative tasks, improve staff capacity, and enhance responsiveness to permit applicants.
4.	Provide staff training and community education on the 2025 California Building Standards Code and applicable state housing laws, to ensure consistent code application and informed permit applicants in support of the City's housing objectives.
5.	Transition SolarAPP+ from pilot to full production for automated same-day permitting of eligible residential solar energy systems, reducing staff workload and improving turnaround times in support of the City's sustainability and infrastructure goals.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

Division Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	236,357	440,357	549,243	108,809	108,809
Special Revenue Funds	1,461,834	1,146,968	2,248,888	18,433,552	18,433,552
Capital Project Funds	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**1,698,191**	**1,587,325**	**2,798,131**	**18,542,361**	**18,542,361**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Housing and Economic Development	1,230,713	1,105,549	2,382,437	17,953,737	17,953,737
Rent Stabilization Program	467,478	481,776	415,694	588,624	588,624
TOTAL	**1,698,191**	**1,587,325**	**2,798,131**	**18,542,361**	**18,542,361**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	662,893	505,877	835,625	927,095	927,095
Subtotal	**662,893**	**505,877**	**835,625**	**927,095**	**927,095**
Supplies and Services					
Purchased Services	964,631	1,124,796	1,897,006	3,510,872	3,510,872
Supplies and Materials	10,667	16,541	5,500	5,350	5,350
Capital Expenditures	-	111	-	-	-
Other Expenditures (Loans)	60,000	(60,000)	60,000	14,099,044	14,099,044
Subtotal	**1,035,298**	**1,081,448**	**1,962,506**	**17,615,266**	**17,615,266**
TOTAL	**1,698,191**	**1,587,325**	**2,798,131**	**18,542,361**	**18,542,361**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Housing & Economic Development Mgr	1.00	1.00	1.00	1.00	1.00
Housing Project Manager	1.00	1.00	1.00	1.00	1.00
Housing Specialist I Ltd*	-	-	1.00	1.00	1.00
RSP Administrator	1.00	1.00	1.00	1.00	1.00
RSP Coordinator II	1.00	1.00	1.00	1.00	1.00
TOTAL	**4.00**	**4.00**	**5.00**	**5.00**	**5.00**

* Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

Housing and Economic Development Division Summary

SERVICE DESCRIPTION

Administer affordable housing and workforce development programs, including the Rent Stabilization Program. The Rent Stabilization Program administers the Rent Stabilization and Eviction for Just Cause Ordinance, which 1) stabilizes rents, 2) protects residential tenants from unreasonable rent increases and unjust or retaliatory evictions; and 3) facilitates improvements for an economically viable rental housing market. The affordable housing and economic development programs include various initiatives to protect residents from displacement and increase housing affordability and economic mobility. Initiatives include rental assistance, eviction defense, homelessness prevention, foreclosure prevention, home repairs, housing rehabilitation and preservation, affordable housing production, first-time homebuyer support, workforce development, and connection to job opportunities in the STEM and Building trades fields.

The Housing and Economic Development Division is a division incorporating programmatic tasks related to affordable housing development and programs, as well as the Rent Stabilization Program. Affordable housing and economic development programs are funded through multiple sources, including grants, Measure HH, Measure JJ, Transient Occupancy Tax, Inclusionary Housing In-Lieu Fees, successor housing, and the General Fund. The Rent Stabilization Program is fully funded through annual registration fees paid by landlords for regulated rental units. In addition to supporting the Rent Stabilization Board in adopting and implementing regulations for the Ordinances, the staff works directly with residents and landlords to gain compliance with the Ordinances and to improve living conditions for rental residents.

The Division has a staffing level of (4) positions and (1) limited-term position for these services and is supported by staff from the City Attorney's Office, City Manager's Office, Planning Division, Building Division, Public Works and Engineering, and the Finance Department. The Division also contracts Information Technology providers, hearing examiners, consultants, and temporary staff as needed.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects an increase of $15,744,230, or 562.7%, compared to the FY 2025–26 Adopted Budget. The increase is primarily driven by a $14,039,044 increase in the Other Expenditures category, consisting primarily of loan advances for the Affordable Housing Preservation Fund, Affordable Housing Production NOFA projects, and County Equity Innovation Fund preservation funding. Purchased services also increase by $1,613,866, primarily for professional and technical services related to Measure HH, major home repairs, direct rental assistance, and anti-displacement services. In addition, salaries and benefits increase by $91,470. These increases are partially offset by a $150 reduction in supplies and materials.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	$2,798,131		
2026-27 Proposed	$18,542,361	$15,744,230	562.7%
2026-27 Adopted	$18,542,361	$0	0.0%

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Identify, apply for, and leverage regional, state and federal funding sources for affordable housing activities.	In 2025, the City did not submit applications for additional funding due to a reduction in available state funding. The City continues to monitor funding opportunities and assess alternative sources to sustain and advance housing programs, ensuring ongoing support for affordable housing development and related community initiatives.
2.	Collaborate with affordable housing developers to ensure widespread marketing and outreach when units are open to applications.	The housing team already takes an active and collaborative role in supporting outreach efforts. For any developer submitting an inclusionary housing application, the housing team requires a comprehensive marketing plan to ensure that available units are properly and widely marketed to the community. This includes clear guidance on outreach strategies, recommended advertising platforms, and best practices for reaching income-qualified households. In addition, the housing team works closely with developers throughout the process to encourage inclusive, accessible, and transparent marketing efforts. The goal is to maximize community awareness, promote equitable access to housing opportunities, and help ensure that all available units reach eligible residents effectively.
3.	Implement the City's Below Market Rate Program through monitoring and enforcement.	Housing staff continue to work closely with the BMR Administrator to monitor existing Below Market Rate (BMR) units and meet on a bi-weekly basis to review and address program compliance cases. In addition, the team is evaluating the Local Preference guidelines, as needed, to support the ongoing stewardship of 53 existing BMR units and the anticipated addition of 8 new rental or for-sale inclusionary housing units.
4.	Participate in the Grand Nexus Study of inclusionary housing in-lieu fees and commercial linkage fees.	The City of East Palo Alto is participating in the Grand Nexus and Feasibility Study to explore potential updates to inclusionary housing requirements, including an evaluation of commercial linkage fee programs. San Mateo County is leading the effort, with grant and financial support provided by participating cities. Strategic Economics was selected through a competitive procurement process in 2025 to conduct the study. The City Council approved entering into a Memorandum of Understanding

Housing and Economic Development Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
		(MOU) with the County and Strategic Economics on October 21, 2024, and the project officially kicked off in January 2026.
5.	Implement and provide annual updates to the Inclusionary Housing Ordinance, including the Inclusionary Guidelines and in-lieu fees, in addition to any necessary amendments to adapt the ordinance to small projects.	The City of East Palo Alto continues to implement the Inclusionary Housing Ordinance (IHO) and provide periodic updates to the Inclusionary Guidelines and in-lieu fee structure, as needed. The City has also adopted provisions to address small-scale development allowing SB 9 lot split projects to be exempt from IHO requirements in order to reduce barriers to housing production. In addition, as mentioned previously, the City is participating in the Grand Nexus and Feasibility Study in partnership with the County, which will inform future updates to the IHO. In the meantime, City Council conducted an IHO Study Session on March 24, 2026, and directed staff to return with a Temporary Housing Development Incentive Program (THDIP) to promote housing development while the Grand Nexus and Feasibility Study is conducted.
6.	Track progress toward meeting RHNA goals through the production of inclusionary housing units, ADUs, SB 9 units, SB 35 units, Density Bonus units, and housing for special needs and low-resourced populations.	The City annually reviews its progress in meeting Regional Housing Needs Allocation (RHNA) targets and evaluates the effectiveness of Housing Element policies and programs, with findings reported in the Annual Progress Report to HCD. The City also tracks production of inclusionary housing units, ADUs, SB 9 units, and housing for special needs populations. If the City is not making sufficient progress toward its Housing Element goals—specifically, achieving at least 130 lower-income units under construction or completed by 2027—it will, within six months, consider alternative land use strategies. These may include amending existing policies and programs, introducing new actions, identifying additional housing sites (including rezoning if necessary), and implementing strategies to support a broader range of housing types, such as missing middle housing, adaptive reuse, and increased development of ADUs and JADUs.
7.	Implement a preservation strategy that addresses funding sources, identification of properties, and partnerships that can lead to preservation of existing affordable and	The City of East Palo Alto is implementing a comprehensive preservation strategy to protect existing affordable and rent-stabilized housing. On March 21, 2023, the City Council reviewed

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
	rent-stabilized housing units in East Palo Alto. Prioritize assistance to lower resource neighborhoods identified in the Housing Element's Affirmatively Furthering Fair Housing (AFFH) analysis.	potential funding sources and directed staff to pursue opportunities such as FIHPP, REAP 2.0, and other programs, as well as to develop preservation guidelines and establish a preservation fund. In 2025, the City Council allocated funding toward this effort, and staff prepared a Preservation NOFA, anticipated for release in early 2026. The strategy focuses on identifying at-risk and substandard properties, maintaining an updated inventory of such units, and forming partnerships to support long-term affordability. The City prioritizes assistance to lower-resource neighborhoods identified in the AFFH analysis and works to ensure compliance with the State Preservation Notice Law. Staff also actively engage property owners to preserve at-risk units and improve property conditions, with a goal of rehabilitating 13 substandard or at-risk units between 2024 and 2028.
8.	Issue a Notice of Funding Availability (NOFA) for affordable housing preservation and production to expense affordable housing funds.	Ongoing. In 2025, the City utilized a $100,000 award from the County of San Mateo's Equity Innovation Fund to develop its Affordable Housing Preservation NOFA and program guidelines. On May 6, 2025, the City Council appropriated $2,050,000 toward the Affordable Housing Preservation Program, which is anticipated to launch in early 2026 to support the acquisition, rehabilitation, and conversion of housing into long-term affordable units. Staff have started developing the Production NOFA guidelines and are seeking Council allocation of funding in the FY 26-27 budget, for anticipated release of the Production NOFA in late 2026 or in 2027.
9.	Encourage smaller-scale housing that is relatively more affordable, including accessory dwelling units (ADUs). Collaborate with 21 Elements, the ADU Resource Center, and the ADU Technical Working Group, and with Planning and Building to develop and implement a "next-phase" strategy for promotion of ADUs, SB 9 units, and any future small development. This includes development code amendments and consideration of free	The Housing Division continues to meet with the ADU Technical Working Group and collaborate with 21 Elements/CPC and the ADU Resource Center to expand access to smaller-scale, more affordable housing.

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
	waivers or reductions, financial incentives and previously approved and modular ADU design plans.	
10.	Monitor and continue administration of the CalHome ADU/JADU Loan Program.	The CalHome program ended in 2024. The City submitted one final application to the program in the beginning of 2025 but was not selected for funding.
11.	Implement an effective and fair housing-compliant Local Preference Policy and post to website.	On January 21, 2025, City Council adopted a resolution adopting an updated Local Preference Policy. The Local Preference Policy was implemented for the Colibri Commons, a 136-unit 100% affordable housing development built on formerly vacant city-owned land. Colibri Commons houses individuals and families earning 30% to 60% AMI, and individuals with disabilities or those who were formerly experiencing homelessness. The City was able to negotiate a 60% live/work/formerly displaced local preference requirement with the County of San Mateo, based on a disparate impact study MidPen funded and the County's AHF 12 NOFA underwriting policies, which allow city-imposed local preferences proportionally based on the relative City and County financial contributions. Of the total 136 units, 16 were set aside for Special Needs (with State/Federal funding), and 60% of the remaining 120 (72) were local preference, with the remaining 40% (48 units) open pool. Colibri Commons started its marketing in April 2025, and its tenant file intake process in June 2026. By January 2026, it was able to achieve full occupancy, with 89 East Palo Alto households moved into the 136 units (65 from local preference units, 20 from general pool, and 3 from Project Based Voucher units). Local Preference Policy: https://www.cityofepa.org/housing/page/local-preference
12.	Coordinate with the County and social service partners to reduce homelessness in East Palo Alto.	The City continues to meet monthly with the County of San Mateo and core service providers to address homelessness and manage encampments. These meetings focus on coordinating services, identifying resources, and implementing strategies to connect individuals experiencing homelessness with housing, supportive services, and long-term solutions.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
13.	Improve transparency and communication between the City and the public on housing issues, making the City website, social media, and newsletter a reliable source of housing information and making parallel efforts to reach residents through mailers and in-person meetings.	The Housing Division actively works to improve transparency and communication on housing issues. The division regularly updates the City website, social media channels, and newsletters to provide reliable and accessible housing information. In addition, the Housing Division conducts outreach through mailers, community meetings, and in-person events to ensure residents have multiple ways to stay informed and provide input.
14.	Monitor and update City Council on progress made on the City's Housing Element and Affordable Housing Strategy Regularly assess the level of staffing or contract assistance to ensure that sufficient staffing is committed to implementing the policies and programs in a timely manner.	The City annually reviews staffing and contract needs during the budget process, based on the Housing Element work program for the upcoming fiscal year, and allocates sufficient funds within the Community Economic Development Department budget to support these priorities. To augment capacity, the City entered into a contract in 2024 with HEART of San Mateo County for staff support as needed, with the contract continuing through January 2027. The City also hired a Temporary Housing Specialist to provide additional Housing Division support in FY 2025-26. Additionally, HEART's Housing Consulting Services assisted with the City's 2024–2028 Affordable Housing Strategy Update under a three-year shared housing staff agreement covering 2023–2026. These efforts ensure adequate resources are in place to implement the City's housing programs effectively.
15.	Join with other cities in San Mateo County to share housing staff to support longer-term housing initiatives and programs.	The City continues to participate with other San Mateo County communities to share housing staff and support longer-term housing initiatives and programs. As part of this collaboration, the City accesses HEART of San Mateo County's Housing Consulting Services program, leveraging additional expertise and staffing resources.
16.	With added staffing capacity, establish and implement a rent registry for both stabilized and market-rate rental units.	The City hired a Temporary Housing Specialist to add Housing support on both Housing division and Rent Stabilization Program in FY 25-26, including support with rent registry. The City also has a Partnership for the Bay's Future Fellow will is supporting with this policy goal until the end of 2026. Initiated in 2023, staff have conducted research on implementing a citywide rent registry for both stabilized and market-rate rental units, including interviewing other cities such as

Housing and Economic Development Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
		Berkeley and Alameda and learning about their program implementation. Progress continues, with Tolemi selected as the vendor for the registry database. The Rent Stabilization Program has migrated its data and launched a portal in early 2026 to transition properties under the RSO, and approximately 2,500 rent-stabilized units will be registered in the new system. This expanded staffing and infrastructure support the City's goal of a comprehensive and accessible rent registry.
17.	With added staffing capacity, create homeownership opportunities for East Palo Alto residents and housing stability for existing homeowners, prioritizing seniors aging in place and lower-resourced neighborhoods. Programs can include home repair program, first-time homebuyer program, and foreclosure prevention.	Staff has worked in collaboration with HEART of San Mateo to support existing and future homeowners through the creation of major and minor home repair programs and research into a future First Time Homebuyer Program. The City of East Palo Alto has signed onto the County of San Mateo Minor Home Repair program which will begin to administer home repairs to senior low-income households in July 2026. Staff is in the process of finalizing guidelines and issuing a NOFA for a Major Home Repair program once funding is allocated by Council in FY 26-27. Lastly, staff interviewed several banks and credit unions with experience administering First Time Homebuyer programs in the Bay Area. Staff will present on the lessons learned, potential programs, and recommendations for such a program to City Council in mid-2026.
18.	Evaluate and monitor program outcomes for the Measure HH Pilot Workforce Development Program.	The Pilot Workforce Development Program, approved in October 2022 with Measure HH funds, initially served 80 East Palo Alto residents through three partner organizations. In 2024, additional funding extended the program to May 2025, adding 40 more students, with the program ultimately running through December 2025. A consultant evaluation completed by June 2025 confirmed the program's success and provided recommendations for improvement.
19.	Establish an RFP and execute contracts to continue the City's Measure HH Workforce Development Program.	Building on the Measure HH Pilot Workforce Development Program's outcomes, staff have started drafting an RFP to expand workforce development services and plan to issue it in 2026.
20.	Submit notices of noncompliance to landlords when regulated rental units are not properly registered as required by the ordinances and regulations with	This is an ongoing activity of the Rent Stabilization Program. Staff track regulated rental units; noncompliance notices are sent out, and

Housing and Economic Development Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
	information about how to comply, the penalty fees that are accruing for noncompliance, and the procedure for submittal of a penalty waiver request for good cause.	penalty fees are accrued for noncompliance and penalty waivers are processed for good cause.
21.	Process pending petitions submitted by landlords and tenants within the timelines established in the Rent Stabilization Ordinance and regulations.	This is an ongoing activity of the Rent Stabilization Program. 26 petitions were submitted by residents living in Woodland Park under Sandhill Properties. RSP staff are reviewing those petitions and hearings have begun but are not yet resolved.
22.	Mail Annual Program Fee Statements forms to landlords of regulated rental units under the 2010 Ordinance (regulated residential dwelling units) in November, so landlords can timely submit them and meet the deadlines established by the ordinances.	Staff sent out the 2025-2026 Annual Program Fee Statements and instructions for new online registration in November 2025. Notices were mailed to property owners of regulated units.
23.	Under the 2010 Ordinance, issue Certificates of Maximum Allowable Rent for new tenants within five business days of the Board's receipt of a completed Vacancy Registration Statement to comply with the Ordinance and regulations.	This is an ongoing activity of the Rent Stabilization Program. Staff have worked with landlords to educate requirements under the ordinance. Staff have worked to bring landlords back into compliance when tenant registrations have not been submitted.
24.	Provide information on the requirements for eviction in the ordinances to landlords and tenant, including mailing information to tenants within one business day of receipt of notices of eviction.	Staff provided referrals for rental assistance and reviewed notices for compliance with the Just Cause for Eviction Ordinance. Educated with landlords when notices were noncompliant and provided tenants with resources and their rights under the Rent Stabilization Ordinance.
25.	Assist the City Attorney's Office and contract legal counsel to draft any needed regulations and amendments to the Rent Stabilization ordinances. Gain approval of amendments from the Board. update forms, notices, and informative materials to reflect any revisions adopted.	This is an ongoing activity of the Rent Stabilization Program. During FY 25-26 staff have brought before the Rent Board an emergency regulation addressing notifications during the sale of a property. Staff are also in the process of bringing a regulation amendment before the Rent Board.
26.	Work with the Rent Stabilization Board, in collaboration with the Building Services	This is an ongoing activity of the Rent Stabilization Program. Staff has worked with

Housing and Economic Development Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
	Division, to ensure that rental units meet the building, housing and safety code standards, so the rent stabilization ordinance’s habitability goals can be accomplished.	Building to notify the owner(s) when a unit’s habitability is in question. The city would only be informed if the tenant complains or submits a petition, or if a code enforcement complaint is filed by the tenant or someone from the public.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

OBJECTIVES

1.	Identify, apply for, and leverage regional, state and federal funding sources for affordable housing activities.
2.	Collaborate with affordable housing developers to ensure widespread marketing and outreach when units are open to applications.
3.	Implement the City's Below Market Rate Program through monitoring and enforcement.
4.	Participate in the Grand Nexus and Feasibility Study to update the Inclusionary Housing Ordinance and the inclusionary housing in-lieu fees and commercial linkage fees, to incentivize affordable housing development and reduce constraints.
5.	Track progress toward meeting RHNA goals through the production of inclusionary housing units, ADUs, SB 9 units, SB 35 units, SB 330 units, Density Bonus units, and housing for special needs and low-resourced populations.
6.	With added staffing capacity, implement a preservation strategy that addresses funding sources, identification of properties, and partnerships that can lead to preservation of existing affordable and rent-stabilized housing units in East Palo Alto. Prioritize assistance to lower resource neighborhoods identified in the Housing Element's Affirmatively Furthering Fair Housing (AFFH) analysis.
7.	With added staffing capacity, issue a Notice of Funding Availability (NOFA) for affordable housing preservation and production to expense affordable housing funds.
8.	Encourage smaller-scale housing that is relatively more affordable, including accessory dwelling units (ADUs). Collaborate with 21 Elements, the ADU Resource Center, and the ADU Technical Working Group, and with Planning and Building to develop and implement a "next-phase" strategy for promotion of ADUs, SB 9 units, and any future small development. This includes development code amendments and consideration of free waivers or reductions, financial incentives and previously approved and modular ADU design plans.
9.	Implement an effective and fair housing-compliant Local Preference Policy and post to website.
10.	Coordinate with the County and social service partners to reduce homelessness in East Palo Alto.
11.	Improve transparency and communication between the City and the public on housing issues, making the City website, social media, and newsletter a reliable source of housing information and making parallel efforts to reach residents through mailers and in-person meetings.
12.	Monitor and update City Council on progress made on the City's Housing Element and Affordable Housing Strategy Regularly assess the level of staffing or contract assistance to ensure that sufficient staffing is committed to implementing the policies and programs in a timely manner.
13.	Join with other cities in San Mateo County to share housing staff to support longer-term housing initiatives and programs.

Housing and Economic Development Division

OBJECTIVES

14.	With added staffing capacity, establish and implement a rent registry for both stabilized and market-rate rental units.
15.	With added staffing capacity, create homeownership opportunities for East Palo Alto residents and housing stability for existing homeowners, prioritizing seniors aging in place and lower-resourced neighborhoods. Programs can include home repair program, first-time homebuyer program, and foreclosure prevention.
16.	Continue to administer the City’s Measure HH Workforce Development Program and evaluate program impacts and improvements.
17.	Provide excellent customer service support to residents, tenants, landlords, homeowners, developers and other stakeholders that interface with Housing and Rent Stabilization Program staff.
18.	Submit notices of noncompliance to landlords when regulated rental units are not properly registered as required by the ordinances and regulations with information about how to comply, the penalty fees that are accruing for noncompliance, and the procedure for submittal of a penalty waiver request for good cause.
19.	Process pending petitions submitted by landlords and tenants within the timelines established in the Rent Stabilization Ordinance and regulations.
20.	Mail Annual Program Fee Statements forms to landlords of regulated rental units under the 2010 Ordinance (regulated residential dwelling units) in November, so landlords can timely submit them and meet the deadlines established by the ordinances.
21.	Under the 2010 Ordinance, issue Certificates of Maximum Allowable Rent for new tenants within five business days of the Board’s receipt of a completed Vacancy Registration Statement to comply with the Ordinance and regulations.
22.	Provide information on the requirements for eviction in the ordinances to landlords and tenant, including mailing information to tenants within one business day of receipt of notices of eviction.
23.	Assist the City Attorney’s Office and contract legal counsel to draft any needed regulations and amendments to the Rent Stabilization ordinances. Gain approval of amendments from the Board. update forms, notices, and informative materials to reflect any revisions adopted.
24.	Work with the Rent Stabilization Board, in collaboration with the Building Services Division, to ensure that rental units meet the building, housing and safety code standards, so the rent stabilization ordinance’s habitability goals can be accomplished.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Planning Division

Division Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	355,161	394,993	326,000	386,000	386,000
Use of Resources	953,302	902,870	1,402,042	1,288,367	1,288,367
Special Revenue Funds	216,668	-	-	-	-
Capital Project Funds	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**1,525,131**	**1,297,863**	**1,728,042**	**1,674,367**	**1,674,367**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Planning Division	1,525,131	1,297,863	1,728,042	1,674,367	1,674,367
TOTAL	**1,525,131**	**1,297,863**	**1,728,042**	**1,674,367**	**1,674,367**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	777,298	858,697	905,686	938,519	938,519
Subtotal	**777,298**	**858,697**	**905,686**	**938,519**	**938,519**
Supplies and Services					
Purchased Services	743,429	433,962	812,006	734,498	734,498
Supplies and Materials	3,571	4,627	6,850	1,350	1,350
Capital Expenditures	833	578	3,500	-	-
Other Expenditures	-	-	-	-	
Subtotal	**747,833**	**439,166**	**822,356**	**735,848**	**735,848**
TOTAL	**1,525,131**	**1,297,863**	**1,728,042**	**1,674,367**	**1,674,367**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Planning Manager	1.00	1.00	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00	1.00	1.00
Assistant/Associate Planner	2.00	2.00	2.00	2.00	2.00
Planning Technician	1.00	1.00	1.00	1.00	1.00
TOTAL	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**

* Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

Planning Division Summary

SERVICE DESCRIPTION

The Planning Division implements the City's planning policies, which are intended to maintain and enhance the quality of life for City residents and visitors through provision of an attractive and functionally built environment, protection of desirable environmental and scenic amenities, efficient development review. The Division provides quality development review and permitting services through efficient, professional, and customer-friendly public processes under the policy direction of the Planning Commission and ultimately the City Council.

The Planning Division is responsible for both current planning (development review) and advanced or long-range planning activities that guide the City's growth and development. In addition to its core staff, the Division engages professional consultants, as needed, to support specialized projects and environmental review processes. Core functions include, but are not limited to, processing ministerial and discretionary development applications for entitlement; responding to daily inquiries from residents, applicants, and stakeholders; administering environmental review and permitting for private development projects; updating development ordinances and policies to maintain compliance with state law; and ensuring that all operations are conducted in an efficient, professional, and customer-oriented manner. The General Plan and Development Code serve as the primary policy and regulatory frameworks guiding planning efforts to promote a safe, healthy, and well-balanced community consistent with the City's vision.

Despite significant competition with other jurisdictions and private-sector employers in recent years, the Division has achieved full staffing, with only one staff turnover in the past year. The Division is currently composed of a Planning Manager, a Senior Planner, two Assistant/Associate Planners, and a Planning Technician. This stable and well-trained team has strengthened the Division's capacity to manage a diverse workload effectively. As a result, most current planning projects are processed in-house, with only limited reliance on contract planners for supplemental support.

Consultants continue to play an important role in large or complex development proposals, such as the Four Corners and Woodland Park Apartment projects. In these cases, planners are assigned to coordinate closely with consultants ensuring continuity, institutional knowledge, and, where appropriate, assuming project management responsibilities over time. Although application volumes, particularly for smaller-scale projects, remain steady, the Division's full staffing level has enabled it to accommodate increased workload demands without routinely outsourcing small- and mid-sized projects, as was previously necessary.

The Division has also made meaningful progress on several long-range planning initiatives. Notably, it completed a comprehensive Development Code update to ensure consistency with evolving state legislation. Ongoing efforts include updates to the General Plan's Safety Element and Health and Equity (Environmental Justice) components, as well as plans to collaborate with consultants to update the City's Open Space Element. Planning staff also support the Housing Division in assisting with the preparation of annual progress reports. Additionally, the Division is finalizing Objective Design Standards (ODS) for

Planning Division Summary
(Continued)

Planning Commission review and recommendation to City Council by the first half of this calendar year. The ODS would facilitate consistent and compliant project review in accordance with applicable state housing laws, including the Housing Accountability Act.

Finally, the Planning Division provides professional and administrative support to the Planning Commission, whose members are appointed by the City Council. The Commission is mandated by state law to review and act on planning and development matters, and the Division ensures that all items are presented with thorough analysis and clear recommendations. Moving forward, the Planning Division remains committed to continuous process improvements, enhanced service delivery, and the implementation of systems that promote transparency, efficiency, and accountability in all aspects of its work.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects a decrease of $53,675, or 3.1%, compared to the FY 2025–26 Adopted Budget. The decrease is primarily driven by reductions of $77,508 in purchased services, $5,500 in supplies and materials, and $3,500 in capital expenditures. These reductions are partially offset by an increase of $32,833 in salaries and benefits.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous	% Change From Previous
2025-26 Adopted	$1,728,042		
2026-27 Proposed	$1,674,367	($53,675)	-3.1%
2026-27 Adopted	$1,674,367	$0	0.0%

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Planning Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Ensure Planning Division staff capacity to handle current and future projects, including ability to augment capacity with consultants, and a balanced range of current and long-range projects to implement Vista 2035 and the City's priorities.	Stable staffing levels have enabled the Planning Division to expand its capacity while maintaining flexibility through consultant support for complex and long-range efforts. The City continues to partner with firms such as PlaceWorks and CPC to advance key initiatives, including the ongoing updates to the General Plan's Safety and Environmental Justice Elements. Staff have successfully managed a balanced workload, processing current planning applications and Development Code updates for state compliance, and process improvements in a timely manner. Staff is currently working on additional development code updates to incorporate objective design standards per the Housing Accountability Act and additional process improvements consistent with the General Plan. Additionally, Planning continues to provide assistance to the Housing team in the preparation of the annual Housing Annual Progress Report for the City's Housing Element.
2.	Staff the public counter efficiently and effectively.	Planning has implemented a coordinated counter schedule aligned with planners' and technicians' workloads to ensure timely responses to public inquiries and consistent, high-quality customer service Monday through Friday. Regular communication with front desk staff, combined with adequate staffing levels, has provided reliable and efficient counter coverage. Each staff member is equipped with a city cell phone to support direct and responsive communication. Counter schedules are shared with administrative staff to ensure quick access to planners when needed. Additionally, an online appointment system allows the public to schedule meetings, facilitating more detailed discussions prior to formal application submittal.
3.	Enhance communication between staff and the public through outreach efforts and social media, as well as technology enhancements. Improve record keeping and enhance access to records.	Staff have enhanced communication and public access to information by maintaining a user-friendly Division website and providing regular updates, including project information, CEQA notices, and resources such as links to the San Mateo County ADU Resource Center. Applications and informational handouts have

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Planning Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
		been refined to improve clarity and usability for the public. In alignment with the City's community outreach policy, staff have implemented consistent, early, and expanded outreach efforts for projects of varying scale. This includes increasing mailing radii for high-interest developments, such as the Four Corners applications. Additionally, staff continue to support transparency and record accessibility by posting quarterly updates on pending and approved administrative-level projects, ensuring the public has timely and reliable access to key information.
4.	Respond to state mandates in a timely manner regarding housing based on local needs, including SB 9 and SB 35. Prepare long range and advanced planning policies consistent with state law.	Staff continue to build capacity to respond to evolving state housing mandates, including SB 9 and SB 35, as well as AB 130, through ongoing training and process improvements. Staff has successfully processed the City's first AB 130 application, which requires an expedited review process. Efforts include preparing and refining implementation procedures, updating the Development Code, and ensuring the Division's webpage, training materials, and public handouts reflect current legislative requirements. These updates are completed on a regular basis to keep pace with annual and biannual changes in state law.
5.	Work with the City Manager's Office and Code Enforcement staff to develop a pop-up and unlicensed businesses policy and program.	Planning staff has worked with the City Manager's Office and Code Enforcement for the adoption for mobile vendor ordinance, Planning will continue to coordinate with both the City Manager and Code Enforcement of the new ordinance

Planning Division

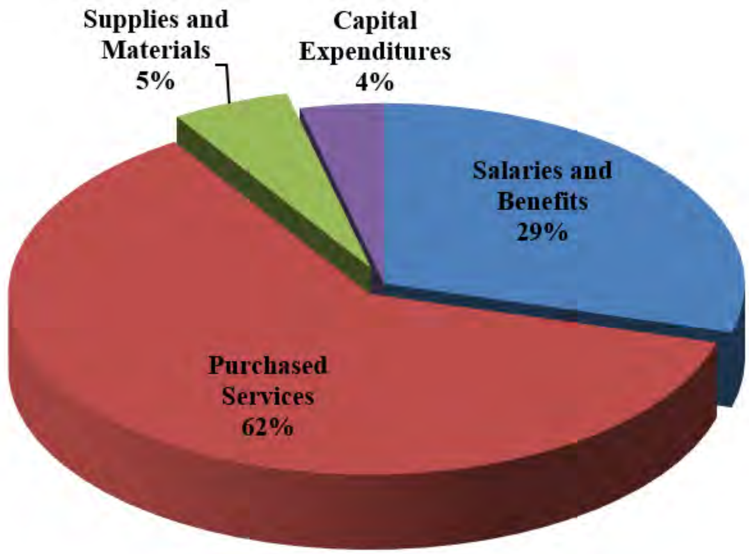
OBJECTIVES

1.	Continue to ensure that Planning Division staff have the capacity to manage a balanced range of development and long-range planning projects, both now and in the future, and maintain the ability to augment that capacity with consultants to support the implementation of Vista 2035 and other City's priorities including updating the Open Space Element.
2.	Continue to adequately staff the public information counter so that both walk-in visitors and callers, including members of the public and development customers, receive efficient and effective service.
3.	Enhance communication between staff, members of the public, and development customers through targeted website and social media postings, periodic developer roundtable meetings, and other outreach efforts.
4.	Improve recordkeeping and access to records by creating an action plan to catalog and digitize the large volume of hard-copy legacy and post-incorporation project files and procure the services of a Planning Intern to assist with this effort.
5.	Maintain consistency with state legislation by timely processing Development Code updates in response to the State's ongoing enactment of land use and development streamlining bills, including AB 130, SB 131, SB 9, SB 35, and SB 330. Additionally, continue to prepare advanced planning policies consistent with state law.
6.	Work with the City Manager's Office (IT division), as part of the IT Strategic Plan, to implement a citywide GIS platform and a robust Permit/Data Tracking System with a seamless web interface to aid land property and permit search by the public and development community.

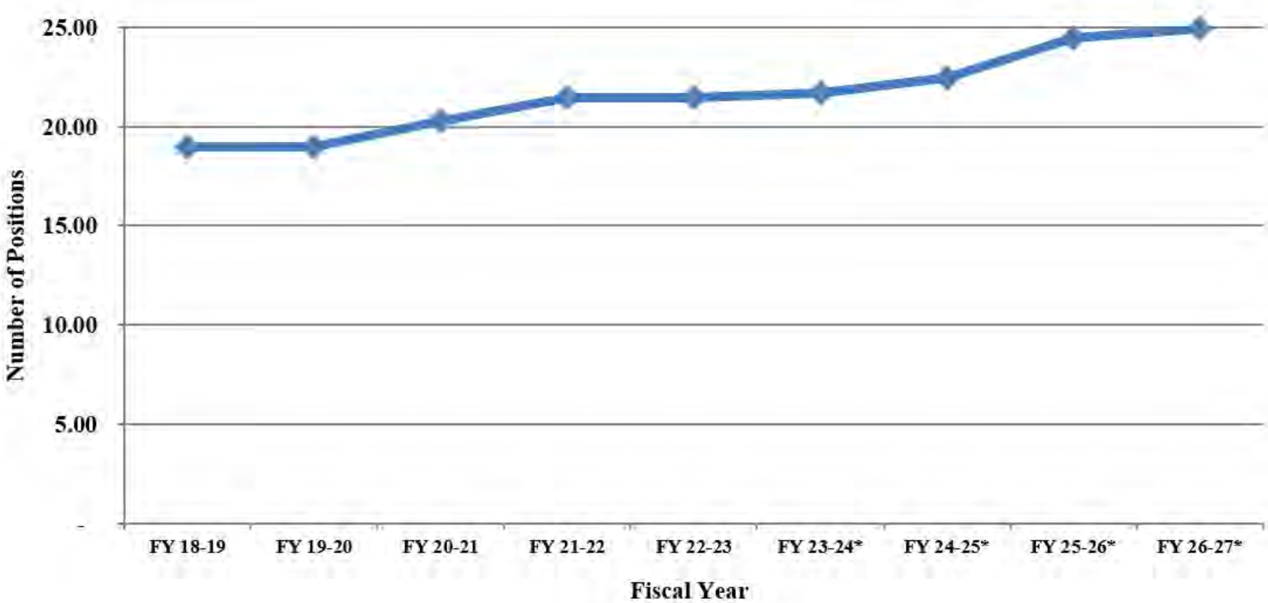
PUBLIC WORKS DEPARTMENT
FY 2026-2027 Budget

FY 2026-27	
Operating	$15,331,926
Positions	24.91

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Department Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	183,770	311,723	123,000	150,000	150,000
Use of Resources	3,946,717	4,549,842	6,503,667	6,610,505	6,610,505
Special Revenue Funds	1,096,026	1,432,054	1,916,966	2,191,070	2,191,070
Capital Project Fund	25,218	31,170	169,267	170,459	170,459
Enterprise Funds	287,764	5,376,397	5,856,227	6,209,892	6,209,892
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**5,539,495**	**11,701,186**	**14,569,127**	**15,331,926**	**15,331,926**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Administration Division	977,147	1,312,586	1,650,840	1,740,199	1,740,199
Engineering Division	1,143,209	6,342,174	7,561,070	8,101,753	8,101,753
Maintenance Division	3,419,139	4,046,425	5,357,217	5,489,974	5,489,974
TOTAL	**5,539,495**	**11,701,186**	**14,569,127**	**15,331,926**	**15,331,926**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	2,812,611	3,792,595	4,585,783	4,499,656	4,499,656
Subtotal	**2,812,611**	**3,792,595**	**4,585,783**	**4,499,656**	**4,499,656**
Supplies and Services					
Purchased Services	1,968,834	6,453,732	9,078,462	9,441,138	9,441,138
Supplies and Materials	632,710	727,332	754,882	814,132	814,132
Capital Expenditures	89,933	706,903	150,000	577,000	577,000
Other Expenditures	35,407	20,623	-	-	-
Subtotal	**2,726,884**	**7,908,589**	**9,983,344**	**10,832,270**	**10,832,270**
TOTAL	**5,539,495**	**11,701,185**	**14,569,127**	**15,331,926**	**15,331,926**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Administration Division	4.45	4.45	4.45	4.45	4.45
Engineering Division	5.25	6.00	7.00	7.46	7.46
Maintenance Division	12.00	12.00	13.00	13.00	13.00
TOTAL	**21.70**	**22.45**	**24.45**	**24.91**	**24.91**

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Department Summary

MISSION STATEMENT

The Public Works Department provides administrative, engineering and maintenance services that ensure the design, construction, maintenance, and operation of public infrastructure, parks, and facilities, are high-quality and sufficient to the meet the needs of East Palo Alto residents, businesses, and visitors.

The Public Works Department includes the Administrative, Environmental, Engineering, and Maintenance Divisions.

Divisions Overview:

Administration Division

Administration performs oversight of Engineering, Environmental and Maintenance; and also performs direct budget preparation, scheduling, and operational contract and invoice payment processing. Administration performs a variety of direct collaboration with stakeholders including the San Francisquito Creek Joint Powers Authority flood control projects, Cal TRANS transportation issues, BAWSCA water related issues, and general county-statewide collaboration with CCAG and MTC and local environmental programs

Environmental Division

The Environmental division overseas several environmental contracts including solid waste/recycling trash services, street sweeping, tree services (Canopy) as well as planting and public education (Grassroots Ecology). The Environmental Division is responsible for coordination with the County on environmental sustainability programs as well as implementation of the City's Climate Action Plan. The Division also ensures compliance with the NPDES permit which includes the business/industrial/restaurant inspection program. This Division is also responsible for implementing the City's Clean City program.

Engineering Division

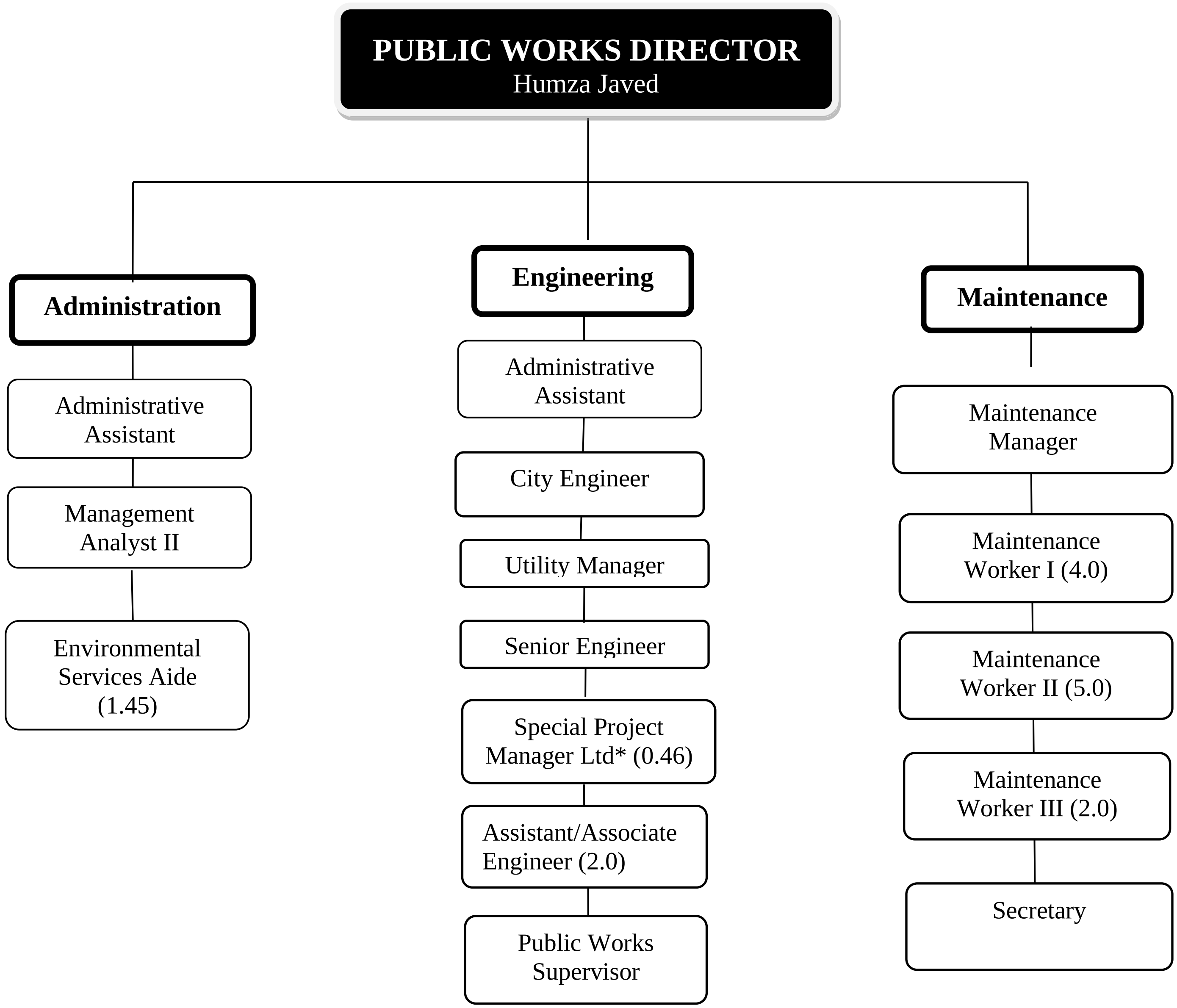
The Engineering Division oversees the design, development and construction of public works capital projects and facilities, including streets and roadways, water supply, and storm drainage systems.
The Division is responsible for issuing permits for any work to be performed on City right-of- way and performs various reviews related to private development projects, and prepares grant applications

Maintenance Division

The Maintenance Division is responsible for the day-to-day maintenance of all City-owned facilities, parks and infrastructure. It coordinates and assists other departments with the use of City facilities during special events, holidays, as well as the general use of City facilities and parks.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget



Total FTE’s: 24.91

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Administration Division

Division Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	1,718	-	10,000	-	-
Use of Resources	637,279	768,535	1,059,839	953,716	953,716
Special Revenue Funds	272,999	492,167	534,932	734,998	734,998
Capital Project Funds	-	-	-	-	-
Enterprise Funds	65,151	51,884	46,069	51,485	51,485
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**977,147**	**1,312,586**	**1,650,840**	**1,740,199**	**1,740,199**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Administration Division	446,447	485,328	862,649	742,993	742,993
Environmental Programs	530,700	827,259	788,191	997,206	997,206
TOTAL	**977,147**	**1,312,586**	**1,650,840**	**1,740,199**	**1,740,199**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	561,101	681,133	843,427	857,026	857,026
Subtotal	**561,101**	**681,133**	**843,427**	**857,026**	**857,026**
Supplies and Services					
Purchased Services	379,972	598,275	798,663	877,923	877,923
Supplies and Materials	15,380	16,529	8,750	5,250	5,250
Capital Expenditures	-	-	-	-	-
Other Expenditures	20,694	16,649	-	-	-
Subtotal	**416,046**	**631,453**	**807,413**	**883,173**	**883,173**
TOTAL	**977,147**	**1,312,586**	**1,650,840**	**1,740,199**	**1,740,199**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Public Works Director	1.00	1.00	1.00	1.00	1.00
Management Analyst II	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Environmental Service Aide	1.45	1.45	1.45	1.45	1.45
TOTAL	**4.45**	**4.45**	**4.45**	**4.45**	**4.45**

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Administration Division Summary

SERVICE DESCRIPTION

The Public Works Administration Division provides oversight of the engineering and maintenance and environmental services that ensure the design, construction, maintenance, and operation of public infrastructure, parks, and facilities, are high-quality and sufficient to the meet the needs of East Palo Alto residents, businesses, and visitors.

The Division is responsible for the oversight of a wide range of functions including:

- Maintaining existing streets, utilities and facilities.
- Developing and managing the City's Ten-Year Capital Improvement Program.
- As the environmental coordinator for the City, ensuring compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA).
- Serving as the Disabled Access Coordinator to ensure safe and reasonable access for all citizens under the Americans with Disabilities Act (ADA) and California Title 24.
- Managing storm water efforts to ensure compliance with the Clean Water Act and other mandates of the San Francisco Bay Regional Water Quality Control Board.
- Providing staff support to the City Council and Public Works and Transportation Commission
- Monitoring and collaborating with regional organizations (e.g., City/County Association of Governments (C/CAG), Metropolitan Transportation Committee (MTC), the Association of Bay Area Governments (ABAG), the South Bayside Waste Management Authority and the San Francisquito Creek Joint Powers Authority).

Through these core functions, the Department supports Council Strategic Priorities by undertaking the following initiatives:

1. *Enhance Public Safety and Emergency Preparedness*
   - Conduct inspections for new construction, remodels and public improvements throughout the City.
   - Coordinate with Menlo Park Fire Protection District, West Bay Sanitary District, East Palo Alto Sanitation District, Palo Alto Park Mutual Water Company and other entities on new development and infrastructure projects.
   - Coordinate and collaborate with East Palo Police Department, MPFPD and others on emergency preparedness efforts.
   - Maintain the storm drain system including the O'Connor Pump Station, streets and other infrastructure.
   - Continue to abate graffiti and illegal dumping on public facilities, within parks and adjacent to City streets.

2. *Enhance Economic Vitality*
   - Continue to implement capital projects with particular focus on water supply and transportation projects.

Administration Division Summary
(Continued)

3. *Increase Organizational Effectiveness*
    - Develop software to provide reports and other information to the City Manager and Finance Department.
    - Attend and monitor activities of special districts and regional agencies/authorities that affect the City of East Palo Alto.
    - More fully implement the IWORQ software within Maintenance.
    - Evaluate opportunities to utilize interns.

4. *Improve Public Facilities and Infrastructure*
    - Continue to support the Engineering Division in managing the capital improvement program.
    - Coordinate with SFCJPA on implementation of flood control projects, including Reach 2, Upstream Project and SAFER Bay Project.

5. *Improve Communication and Enhance Community Engagement*
    - Provide articles for City Newsletter and City Manager Notes and Quotes.

6. *Create a Healthy and Safe Community*
    - Evaluate opportunities to enhance/expand parks and open space opportunities.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The $89,359 (+5.4%) increase from the FY 2025–26 Adopted Budget to the FY 2026–27 Proposed Budget is primarily driven by an increase in purchased services of $79,260 for street maintenance services and professional and technical services, followed by an increase in salaries and benefits of $13,599. These increases are partially offset by a reduction in supplies and materials of $3,500.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	$1,650,840		
2026-27 Proposed	$1,740,199	$89,359	5.4%
2026-27 Adopted	$1,740,199	$0	0.0%

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Administration Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Incorporate tools to strengthen, innovate and increase efficiency in all PW divisions leveraging technology.	Ongoing
2.	Develop and implement standardized and streamlined procedures for contract, purchase order, invoice tracking management for all PW divisions.	Ongoing
3.	Develop and implement standardized and streamlined procedures for Council approved items tracking and management for all PW divisions.	Complete
4.	Develop and implement standardized and streamlined project management and grant tracking system for all PW divisions.	Ongoing
5.	Assist in the monitoring and adjustment of the Gloria Way well water treatment system to provide redundancy in the water supply in case of water interruption or emergencies at the SFPUC Hetch Hetchy Water Supply Aqueduct System. While also evaluate and assess improvement upgrades and create efficiencies for the well operations.	Ongoing
6.	Assist in the oversight and management of the City's water operator and work towards a lease extension with Veolia.	Ongoing
7.	Continue to oversee groundwater management and monitoring.	Ongoing
8.	Continue to coordinate with neighboring cities, regional agencies, and water providers regarding various city activities and operations.	Ongoing
9.	Provide administration support to the Public Works and Transportation Commission (PWTC).	Ongoing
10.	Manage and oversee the Environmental Services Division.	Ongoing. In the process of creating efficiencies between the Divisions
11.	Provide general administration support to Maintenance and Engineering Divisions.	Ongoing
12.	Assist with the development, implementation, and management of EPASD operations and capital projects.	Ongoing
13.	Provide administration support to the EPASD Advisory Committee.	Ongoing

Administration Division

ACCOMPLISHMENTS

OBJECTIVES		RESULTS
14.	Begin planning for the establishment of a utility division.	Ongoing
15.	Continue to set up and enhance the City's Asset Management Plan	Ongoing
16.	Continue to work with the SFCJPA on the Reach II and Safer Bay project advancement	Ongoing

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Environmental Programs

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Renew the Compost Procurement Program through County of San Mateo Resource Conservation District.	The third MOU with the County for the continuation of this program was executed in January 2026 and will guarantee service through the end of the year. Funded by SB 1383 grant. Future participation in the program will require general fund (or other) allocation.
2.	Review street sweeping program and create consistency in signage and sweeping locations	Street Sweeping Signage Audit Phase 1 completed in Fall 2025. Signs that have damage or graffiti have been replaced. Subsequent phases include the installation of new signage and aligning signage with the current sweeping contract.
3.	Develop comprehensive and improved Clean City program. Establish and expand partnerships with County resources to increase resources and incorporate humane practices.	Developed updated Standard Operating Procedures for encampment and illegal dumping response. Increased regular coordination with LifeMoves to conduct field visits.
4.	Audit the street sweeping program to increase services, efficiencies, and study the possibility of bringing the program inhouse.	Ongoing
5.	Continue efforts towards meeting compost procurement targets and reduce SB 1383 non-compliance to single digits.	Public waste audit conducted with Rethink Waste at the following locations: Bell Street Park, Jack Farrell Park, Cooley Landing Park. Updated bin and signage forthcoming. (Non-compliance was at 12 accounts during last update from Rethink Waste, requested an update for 2026)
6.	Execute Metropolitan Transportation Commission Climate Program Implementation Grant for the installation of 24 publicly accessible chargers in East Palo Alto, prioritizing curbside and multi-family housing locations.	Funds were appropriated through regional TIP in October 2025. Caltrans authorization has been initiated and project has moved into RFP phase.
7.	Complete the 1960 Tate Street EV Charging Installation Project.	Complete. In-house signage and striping for the 1960 Tate Lot is forthcoming.
8.	Expand the City's electrification plan.	Ongoing. Conducted a natural gas cataloguing of all City facilities.
9.	Improve and update Environmental Services pages on the City's website to improve organization and clarity.	Ongoing. Sustainability Coordinator Fellow auditing and drafting updated information.
10.	Audit, update, and revamp the flood information and resource pages on the City's website.	Complete. All duplicate flood information on the Public Works webpage has been archived and information has been condensed into a single page reviewed by our CRS consultant.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Environmental Programs

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
11.	Improve the Community Rating System annual recertification score for the City.	Floodplain mailers distributed to 1,900 addresses within NFIP, sandbag graphics and outreach
12.	Coordinate, expand, and lead education events such as Bike to Work Day, recycling programs, Earth Day/watershed cleanup events, as well as Hazardous Waste and annual E-Waste events.	Ongoing. Total Household Hazardous Waste event appointments increased from 89 to 156 and EPA household participation increased from 30 to 56.
13.	Continue the development of the City's Sustainability E-Newsletter and increased self-registration to 100+ subscribers.	Ongoing. Current subscriber count: 137
14.	Expand tree planting efforts to 50 new trees and provide care for 60 young trees while enhancing educational programs, including bilingual workshops and specialized training for EPA Public Works staff.	Planted 92 new public trees between May 1, 2025 and May 1, 2026.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Administration Division

OBJECTIVES

1.	Incorporate tools to strengthen, innovate, and increase efficiency in all PW divisions leveraging technology.
2.	Continue to develop and implement standardized and streamlined procedures for contract, purchase order, and invoice tracking management for all PW divisions.
3.	Continue to develop and implement standardized and streamlined procedures for Council approved items tracking and management for all PW divisions.
4.	Continue to develop and implement a standardized project management and grant tracking system for all PW divisions.
5.	Provide administration support to the Public Works and Transportation Commission (PWTC).
6.	Complete the 2-year CIP update.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Environmental Programs

OBJECTIVES

1.	Begin construction of the MTC Regional EV Charging Project - 24 Level 2 chargers to be installed curbside and at various City facilities.
2.	Continuing implementation of the Clean City Program.
3.	NPDES: Complete reporting year 26-27 inspections, implement new requirements of MRP 3 and 4 permits, create more robust illicit discharge response program, and support through all elements of Annual Report completion.
4.	Fellowship: Work with Bay Area Community Resources to implement the Sustainability Service Corps Fellowship program.
5.	Begin Phase 2 of street sweeping signage program.
6.	Increase public participation in events [E-Waste/Shred Event and Household Hazardous Waste].
7.	Procure community tree planting services upon Canopy contract expiration and expand scope to include development review for “no missed opportunity” plantings.
8.	Building Electrification: Implement follow-up projects to gas infrastructure audit, including the replacement of remaining gas water heaters in City facilities, if feasible, through grant funds.
9.	Coordinate and execute annual events: Arbor Day Planting, Household Hazardous Waste Event, Fix-It Clinic in partnership with County, Earth Day Festival, Bike to Work Day, E-Waste & Shred Event, San Mateo County Leadership Council presentation, Wetlands & Watts, and seek out new partnerships for events that provide free/beneficial services to the community.
10.	Complete PCE Member Agency Grant project and close out grant.
11.	In coordination with Recology and Rethink Waste, continue outreach to expand compliance with SB 1383.

This Page Intentionally Left Blank

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Engineering Division

Division Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	182,052	311,723	113,000	150,000	150,000
Use of Resources	825,446	868,819	1,757,054	1,907,654	1,907,654
Special Revenue Funds	67,409	63,090	130,000	200,000	200,000
Capital Project Fund	25,218	31,170	169,267	170,459	170,459
Enterprise Funds	43,084	5,067,373	5,391,749	5,673,640	5,673,640
Succesor Agency Trust Fund	-		-		
TOTAL	**1,143,209**	**6,342,174**	**7,561,070**	**8,101,753**	**8,101,753**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Engineering Division	1,143,209	6,342,174	7,561,070	8,101,753	8,101,753
TOTAL	**1,143,209**	**6,342,174**	**7,561,070**	**8,101,753**	**8,101,753**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	759,339	1,644,450	1,694,247	1,719,504	1,719,504
Subtotal	**759,339**	**1,644,450**	**1,694,247**	**1,719,504**	**1,719,504**
Supplies and Services					
Purchased Services	364,448	4,147,725	5,779,323	6,309,999	6,309,999
Supplies and Materials	3,195	64,280	87,500	60,250	60,250
Capital Expenditures	3,751	482,966	-	12,000	12,000
Other Expenditures	12,476	2,753	-	-	-
Subtotal	**383,870**	**4,697,724**	**5,866,823**	**6,382,249**	**6,382,249**
TOTAL	**1,143,209**	**6,342,174**	**7,561,070**	**8,101,753**	**8,101,753**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Administrative Assistant	-	-	1.00	1.00	1.00
Assistant/Associate Engineer	2.00	2.00	2.00	2.00	2.00
City Engineer	1.00	1.00	1.00	1.00	1.00
Public Works Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Engineer	1.00	1.00	1.00	1.00	1.00
UUT Manager	-	1.00	1.00	1.00	1.00
Special Project Manager Ltd*	0.25	-	-	0.46	0.46
TOTAL	**5.25**	**6.00**	**7.00**	**7.46**	**7.46**

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Engineering Division Summary

SERVICE DESCRIPTION

The Engineering Division develops and manages master infrastructure plans and capital projects to enhance community, economic and business development, and retention. It manages the transportation network, coordinates maintenance of streets, facilities and infrastructure and provides development review services, ensuring adequate public improvements and services to existing and new development.

The Engineering Division is responsible for the maintenance and enhancement of existing infrastructure and public facilities as well as the design and construction of new public projects and infrastructure. Additionally, the Division is responsible for review and inspection of improvements required as part of new private developments. The Division provides primary support to the City's Public Works and Transportation Commission, in accordance with the Municipal Code.

The Division strategically addresses the following on an ongoing basis:

- Capital Improvement Program and projects.
- Storm drain and flood protection.
- Roads/traffic and transportation (new facilities, major rehabilitation and regular maintenance);
- Water utilities.
- NPDES and related Clean Water Act requirements.
- Encroachment & Grading Permits and land development/plan review.
- Coordination with Caltrans and other agencies; and
- Disaster/emergency preparedness, mitigation, and recovery.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects an increase of $540,683 (+7.2%) compared to the FY 2025–26 Adopted Budget. This net increase is primarily driven by higher expenditures for purchased services ($530,676), including professional and technical services, followed by increases in salaries and benefits ($25,257) and capital expenditures ($12,000). These increases are partially offset by a decrease of $27,250 in supplies and materials.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	$7,561,070		
2026-27 Proposed	$8,101,753	$540,683	7.2%
2026-27 Adopted	$8,101,753	$0	0.0%

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Engineering Division

ACCOMPLISHMENTS

OBJECTIVES		RESULTS
1.	Complete construction of the 2024-2025 Annual Street Resurfacing Project.	Completed
2.	Complete sidewalk improvements as part of the Sidewalk Improvement Program.	Completed
3.	Install bike lanes per the City's adopted Bicycle Transportation Plan.	Ongoing
4.	Coordinate/Collaborate with SFC JPA on Design, Entitlements, & Permitting of Reach II Upstream Flood Control Project as well as begin the design of the Safer Bay Project.	Ongoing
5.	Coordinate with the City of Palo Alto on the construction of the Newell Bridge Replacement Project.	Ongoing
6.	Complete construction of the 12" Water Transmission main along University Avenue and Weeks Street.	Completed
7.	Coordinate Bay trail access with MidPen Open Space and San Francisco Public Utilities Commission (SFPUC) at Rutgers Street.	Completed
8.	Work with SFPUC towards a fourth water turnout in the City.	Ongoing
9.	Complete construction of the 101 pedestrian overcrossing project and close out the grants.	Completed
10.	Begin construction of the University Avenue safety improvements project for traffic signal and intersection safety improvements at Runnymede Street.	Complete
11.	Complete the Phase I O'Connor Pump station improvements design and construction.	Ongoing
12.	Perform review and approval of development projects throughout the City.	Ongoing
13.	Begin construction of the East Bayshore Cyclist and Pedestrian Improvements Project.	Underway
14.	Adopt a permit parking ordinance.	Complete
15.	Identify options for additional water storage.	Ongoing
16.	Begin Construction of the Pulgas Avenue Mini-Roundabout Project.	Completed

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Engineering Division

ACCOMPLISHMENTS

OBJECTIVES		RESULTS
17.	Complete the design of the Cummings Loft improvements Project and begin construction.	Ongoing
18.	Continue the design of the East Palo Alto Library Project.	Paused
19.	Complete construction of the tenant improvements at City Hall, the Tate Office, and the Police Station.	Complete
20.	Complete the outreach plan and begin the design of the University Avenue Grand Corridor Project.	Complete
21.	Complete a citywide streetlight assessment and identify areas of improvement and begin work.	Underway
22.	Complete the large trash capture project installation.	Completed
23.	Woodland Avenue Waterline and Palo Alto Interconnect Project	Completed
24.	Removal of Single-Walled UST at O’Connor Pump Station	Completed
25.	East Palo Alto Community Rating System (CRS)	Ongoing
26.	Cooley Landing O&M and periodic inspections	Ongoing

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Engineering Division

OBJECTIVES

1.	Complete the Pavement Management Plan (PMP) update.
2.	Complete sidewalk improvements as part of the Sidewalk Improvement Program.
3.	Install bike lanes per the City's adopted Bicycle Transportation Plan.
4.	Coordinate/Collaborate with SFC JPA on Design, Entitlements, & Permitting of Reach II Upstream Flood Control Project as well as begin the design of the Safer Bay Project.
5.	Coordinate with the City of Palo Alto on the construction of the Newell Bridge Replacement Project.
6.	Work with SFPUC towards a fourth water turnout in the City.
7.	Complete construction of the University Avenue safety improvements project for traffic signal and intersection safety improvements at Runnymede Street.
8.	Complete the Phase I O'Connor Pump station improvements design and construction.
9.	Perform review and approval of development projects throughout the City.
10.	Complete construction of the East Bayshore Cyclist and Pedestrian Improvements Project.
11.	Finalize the permit parking program details.
12.	Complete the water tank siting study.
13.	Complete the construction of the Cummings Loft improvements Project and begin construction.
14.	Make progress on the Civic Center Project.
15.	Complete the design of the University Avenue Grand Corridor Project.
16.	Complete a citywide streetlight assessment and identify areas of improvement and begin work.
17.	Begin design on the Woodland Avenue Improvements Project.
18.	Begin the design of the Railspur Trail Improvements.

This Page Intentionally Left Blank

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Maintenance Division

Division Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	2,483,992	2,912,488	3,686,774	3,749,135	3,749,135
Special Revenue Funds	755,618	876,798	1,252,034	1,256,072	1,256,072
Capital Project Fund	-	-	-	-	-
Enterprise Funds	179,529	257,140	418,409	484,767	484,767
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**3,419,139**	**4,046,425**	**5,357,217**	**5,489,974**	**5,489,974**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Maintenance Division	3,419,139	4,046,425	5,357,217	5,489,974	5,489,974
TOTAL	**3,419,139**	**4,046,425**	**5,357,217**	**5,489,974**	**5,489,974**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	1,492,171	1,467,013	2,048,109	1,923,126	1,923,126
Subtotal	**1,492,171**	**1,467,013**	**2,048,109**	**1,923,126**	**1,923,126**
Supplies and Services					
Purchased Services	1,224,414	1,707,732	2,500,476	2,253,216	2,253,216
Supplies and Materials	614,135	646,523	658,632	748,632	748,632
Capital Expenditures	86,182	223,936	150,000	565,000	565,000
Other Expenditures	2,237	1,221	-	-	-
Subtotal	**1,926,968**	**2,579,413**	**3,309,108**	**3,566,848**	**3,566,848**
TOTAL	**3,419,139**	**4,046,425**	**5,357,217**	**5,489,974**	**5,489,974**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Maintenance Manager	1.00	1.00	1.00	1.00	1.00
Maintenance Worker I	4.00	3.00	4.00	4.00	4.00
Maintenance Worker II	4.00	5.00	5.00	5.00	5.00
Maintenance Worker III	2.00	2.00	2.00	2.00	2.00
Secretary I	1.00	1.00	1.00	1.00	1.00
TOTAL	**12.00**	**12.00**	**13.00**	**13.00**	**13.00**

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

PUBLIC WORKS DEPARTMENT
FY 2026-2027 Budget
Maintenance Division

SERVICE DESCRIPTION

The Maintenance Division is responsible for the ongoing maintenance and upkeep of the City’s parks, open spaces, landscaped medians, street landscaping, sidewalks, and municipal facilities. The Division also operates and manages the City’s storm drain system, including the O’Connor Pump Station, to ensure effective flood control and infrastructure reliability. In addition, the Division performs underground utility marking; provides graffiti abatement in public areas; delivers fleet maintenance and support services; and oversees the administration and management of multiple municipal service contracts to ensure efficient, consistent, and cost-effective service delivery.

Maintenance Division Overview

The Maintenance Division is committed to excellence, integrity, and responsible stewardship of public resources. The Division supports the City’s core operations by maintaining parks, streets, facilities, and critical infrastructure systems that protect public health, safety, and welfare. Services are provided citywide to ensure public assets remain safe, functional, and well-maintained.

Core Services and Responsibilities

Drainage District:
Maintains and operates the citywide storm drainage system, including the O’Connor Pump Station, to support flood control and stormwater management. Ensures compliance with National Pollutant Discharge Elimination System (NPDES) requirements as mandated by the San Francisco Bay Regional Water Quality Control Board.

Facilities Maintenance:
Provides ongoing maintenance and repair of City-owned and operated facilities, including the Senior Center, sanitary sewer facilities, Police Department and substation, Corporation Yard, Community Development offices, Cooley Landing building, Reentry Program facilities, YMCA space, and park concession buildings. Emphasis is placed on preventative maintenance and operational reliability.

Parks Maintenance:
Maintains City parks and recreational spaces, including Martin Luther King Jr. Park, Jack Farrell Park, Bell Street Park, Joel Davis Park, Cooley Landing, Newbridge Pocket Park, and Bay Road Pocket Parks. Responsibilities include landscape maintenance, irrigation, and upkeep of park amenities.

Open Space Landscaping:
Maintains landscaped areas such as street medians, alleyways, sound walls, Bay Trail corridors, and rail spur areas to support safety, environmental quality, and community aesthetics.

Urban Forestry (Trees):
Manages approximately 7,000 City trees located within public rights-of-way, parks, and facilities. Activities include pruning, hazard mitigation, and long-term tree health management.

Graffiti Abatement Program:
Provides timely removal of graffiti from public infrastructure, including rights-of-way, facilities, parks, signage, Bay Trail areas, traffic signal cabinets, pedestrian overcrossings, and pump station sites.

Maintenance Division

Sidewalk Maintenance:
Repairs and replaces damaged sidewalks to reduce liability, improve pedestrian safety, and maintain accessibility compliance.

Street Maintenance:
Performs roadway maintenance, including pothole repair, shoulder maintenance, and pavement crack sealing to preserve roadway conditions and extend asset life.

Regulatory Signage:
Installs and maintains traffic control and regulatory signage, including stop signs, to ensure roadway safety and compliance with standards.

Red Curb Maintenance:
Maintains over four miles of red curbs (no-parking zones) to support traffic flow, safety, and emergency access.

Illegal Dumping Response:
Supports the Clean City Program through removal of illegally dumped materials, including hazardous waste, to protect environmental quality and public health.

Street Sweeping Program Support:
Supports Street sweeping operations by installing and maintaining signage to ensure program effectiveness and compliance.

Fleet Services:
Provides maintenance and repair services for vehicles and equipment used by Community Development and Public Works Departments to ensure operational readiness.

Underground Utility Marking:
Locates and marks underground utilities in compliance with regulatory requirements to support safe excavation activities.

Emergency Response:
Provides 24/7 emergency response for after-hours and weekend incidents, including storm events, infrastructure failures, and public safety hazards.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Maintenance Division

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The $132,757 (2.5%) increase from the FY 2025–26 Adopted Budget to the FY 2026–27 Proposed Budget is primarily driven by increased capital expenditures of $415,000 for rolling stock and a $90,000 increase in supplies and materials. These increases are partially offset by a decrease of $247,260 in purchased services and a reduction of $124,983 in salaries and benefits.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	$5,357,217		
2026-27 Proposed	$5,489,974	$132,757	2.5%
2026-27 Adopted	$5,489,974	$0	0.0%

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Maintenance Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Upgrades to O'Connor Pump Station.	In progress.
2.	Repair defective sidewalks citywide to prevent trip and fall.	Sidewalk inventory and assessment will be conducted by Precision Concrete starting in March 2026.
3.	Conduct public tree assessment and inventory.	Public tree inventory and assessment will be conducted by ArborPro starting in March 2026.
4.	Maintain EPASD Facility at 901 Weeks Street.	On going- reviewing facility contracts.
5.	Improve maintenance of bus shelters, POC's and trails.	Implemented a weekly inspection and cleaning.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Maintenance Division

OBJECTIVES

1.	Enhance workforce safety and productivity.
2.	Enhance inspection and cleaning of storm drainage system.
3.	Reduce pothole response time to improve pavement condition.
4.	Improve Parks' asset conditions including future dog park.
5.	Improve work order performance.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Utilities Division Summary

SERVICE DESCRIPTION

The Utilities Division is comprised of East Palo Alto Water and East Palo Alto Sanitary District, a subsidiary of the City of East Palo Alto. East Palo Alto Water serves approximately 80% of the City of EPA through 3,000 service connections. East Palo Alto Water purchase most of the City's water from the SFPUC and receives the supply through three interconnections. East Palo Alto Sanitary District provides sewer and wastewater services, approximately 4,300 parcels in the City of East Palo Alto. EPASD system is a completely gravity fed system that runs to the Palo Alto Regional Water Quality Control Plant.

The Utilities Division is responsible for the City of East Palo Alto's water service area, and East Palo Alto Sanitary District. The City of EPA's water system is operated and maintained by Veolia Water. East Palo Alto Sanitation District is currently operated and maintained by West Bay Sanitary District.

The Division strategically addresses the following on an ongoing basis:

- Water distribution and operation, including strategic planning of a new water storage tank
- Water quality sampling- ensuring drinking water meets all federal and local standards.
- System maintenance of valves, hydrants, and meters.
- Water quality flushing program- ensure water in the system is circulated to ensure secondary aesthetic qualities are met.
- Sewer distribution and operation, including strategic planning of capital improvements on sewer mainline.
- Water and Sewer Capital Improvement Program: Facilitate the design and installation of new infrastructure in order to continue to meet the needs of an ever-growing City of East Palo Alto.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Utilities Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Complete ranger pipeline project.	Pipeline installed and completed.
2.	Begin design of East Palo Alto Sanitary District (EPASD) Capital Improvement Program (CIP) 1.1 and 1.2.	Design began in April 2026.
3.	Close Circuit Television (CCTV) inspection of all EPASD mainline system.	Completed 33.6 miles of CCTV footage, documenting all of the EPASD system.
4.	Address EPASD "Hot Spots" issue and prevent further Sanitary Sewer Overflows.	EPASD has not recorded a sanitary sewer overflow since 2024, and "hot spots" have been cleaned and lowered significantly in total number in the system.
5.	Earn the trust of the community back, and make EPASD a more reliable sewer system.	City staff have focused on maintaining reliable sewer service while integrating District operations into City administrative, financial, and operational processes.
6.	Sewer System Master Plan	Sewer System Master Plan has been completed.
7.	Sewer System Management Plan	Sewer System Management Plan has been completed.
8.	Sewer Emergency Response Plan (SERP)	The SERP has been completed in partnership with WBSD and Fischer Compliance.
9.	EPASD Building Improvements	Re-painted the first floor of EPASD. Made HVAC repairs, lighting repairs, flooring repairs, garage and gate repairs, and re-started the recycling program.
10.	Fats, Oils, Grease Program	Completion of quarterly FOG inspections for all qualifying businesses. The District and WBSD emphasize an educational approach during inspections and work collaboratively with businesses to ensure compliance with Board-adopted regulations.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Utilities Division

ACCOMPLISHMENTS

OBJECTIVES		RESULTS
11.	EPASD System Repairs	Performance of eleven minor mainline repairs by WBSD to maintain reliable system operations.
12.	Ensure EPASD State and Federal Requirements are brought up to date.	Ongoing reporting of sanitary sewer overflows (SSOs) through the California Integrated Water Quality System (CIWQS) in compliance with regulatory requirements.
13.	Regain Financial Administration and Organization.	• Establishment of financial procedures integrating EPASD operations into the City's financial systems while maintaining appropriate separation of District funds. • Development of the EPASD Master Fee Schedule to consolidate, update, and formalize fees associated with District services, permits, and regulatory programs. The schedule establishes a comprehensive list of charges related to sewer services, engineering review, inspections, permits, and administrative functions, coordinated with the City's Master Fee Schedule. • Plan Review and permitting process has been created.
14.	Hire Management and Admin Staff	A full-time Utility Manager and Administrative Assistant have been hired to manage EPASD and EPA Water.
15.	EPASD Advisory Committee	The Advisory Committee worked closely with staff and consultants during development of the EPASD Master Plan and will continue collaborating with staff as the nexus study progresses. The AC has also discussed sewer service fees, which staff will bring forward for review and consideration.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Utilities Division

OBJECTIVES

1.	Begin preliminary construction on East Palo Alto Sanitary District (EPASD) 1.1 & 1.2 Capital Improvement Program (CIP) in 2027.
2.	Perform audit on all 4,300 parcels on EPASD sewer service charge list.
3.	Work closely with Engineering Department on Water Tank Siting Study and other Water CIP.
4.	Research and locate funding for water and EPASD CIP.
5.	Continue Community outreach for Water and EPASD programs.
6.	Continue research of retaining operations and maintenance of Water and EPASD internally.

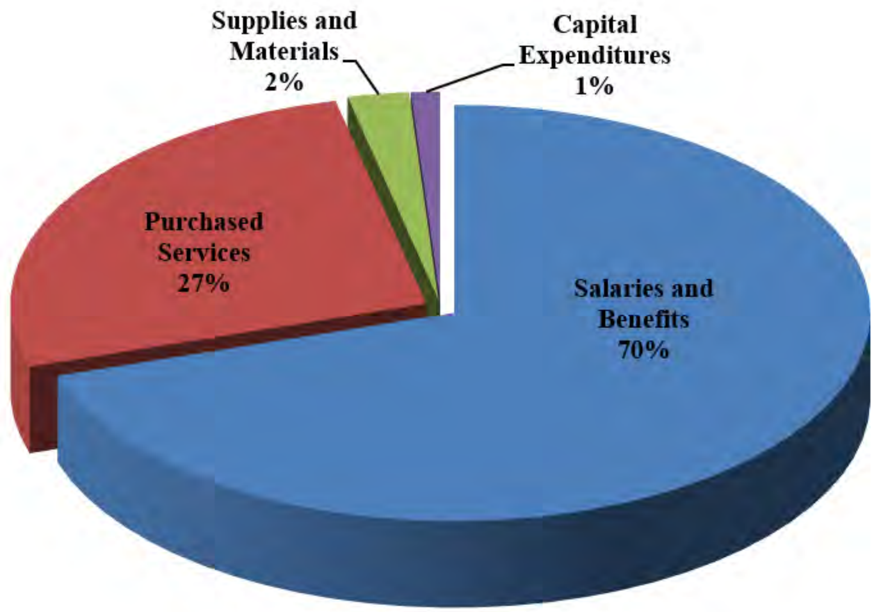
POLICE DEPARTMENT

FY 2026-2027 Budget

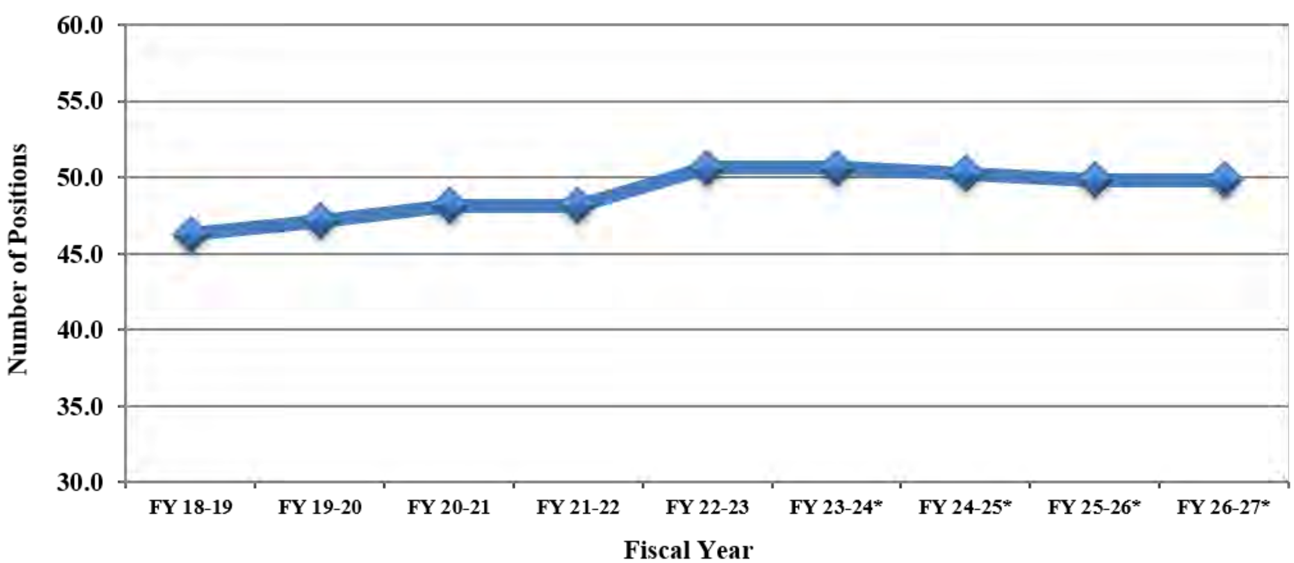
FY 2026-27

Operating	$17,783,877
Positions	49.80

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

POLICE DEPARTMENT
FY 2026-2027 Budget

Department Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	414,605	485,577	545,000	580,000	580,000
Use of Resources	12,424,567	13,536,454	15,842,157	17,003,877	17,003,877
Special Revenue Funds	224,106	119,531	320,000	200,000	200,000
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**13,063,278**	**14,141,562**	**16,707,157**	**17,783,877**	**17,783,877**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Administration Division	5,081,256	5,487,297	6,060,147	6,588,716	6,588,716
Investigations Division	940,444	1,442,737	2,582,994	1,750,565	1,750,565
Operations Division	7,041,578	7,211,529	8,064,016	9,444,596	9,444,596
TOTAL	**13,063,278**	**14,141,562**	**16,707,157**	**17,783,877**	**17,783,877**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	9,452,796	10,119,034	11,934,674	12,466,858	12,466,858
Subtotal	**9,452,796**	**10,119,034**	**11,934,674**	**12,466,858**	**12,466,858**
Supplies and Services					
Purchased Services	2,988,140	3,206,285	4,094,833	4,693,519	4,693,519
Supplies and Materials	384,823	393,458	387,150	423,500	423,500
Capital Expenditures	237,519	422,785	290,500	200,000	200,000
Other Expenditures	-	-	-	-	-
Subtotal	**3,610,482**	**4,022,528**	**4,772,483**	**5,317,019**	**5,317,019**
TOTAL	**13,063,278**	**14,141,562**	**16,707,157**	**17,783,877**	**17,783,877**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Administration Division	9.00	9.00	9.00	9.00	9.00
Investigations Division	11.25	6.45	6.00	6.00	6.00
Operations Division	30.35	34.80	34.80	34.80	34.80
TOTAL	**50.60**	**50.25**	**49.80**	**49.80**	**49.80**

* Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

POLICE DEPARTMENT

FY 2026-2027 Budget

Department Summary

MISSION STATEMENT

The Mission of the East Palo Alto Police Department is to provide quality police service and work in partnership with the community to preserve the peace, establish a safe environment and do so with emphasis on mutual trust and respect.

The Divisions of the Police Department consist of Administration, Investigations and Operations.

The emphasis of this fiscal year's budget is to improve current service levels to the public. Attention will be focused on the priority of employee and organizational development, as well as community policing, crime reduction, traffic enforcement, and parking enforcement. Additionally, the department will focus on ongoing maintenance of mandated services for general law enforcement, vehicle abatement and emergency response (as a single agency or in concert with other federal, state, and/or local agencies). The Police Department will strive for successful completion of the following strategic priorities:

Administration:

1. Work with the City Manager's Office on site selection, funding strategy, and space needs for a new police facility, ensuring the design supports modern policing, community engagement, and long-term operational growth by the end of the fiscal year.
2. Implement a targeted recruitment and hiring strategy to fill all vacant sworn and professional staff positions.
3. Implement a new Computer Aided Dispatch (CAD) system designed to improve efficiency for patrol personnel by streamlining workflows, reducing response delays, and delivering enhanced data accuracy to support informed decision making and resource deployment

Operations:

1. Collaborate with the administrative division and Human Resources to recruit, hire, and deploy enough sworn Officers and CSO's to fully staff all positions
2. Collaborate with department leadership to creatively restructure existing resources and assignments to pilot a dedicated traffic enforcement unit focused on neighborhood traffic complaints
3. Partner with the City Manager's Office to implement a comprehensive parking management strategy, including the acquisition or contracting of dedicated parking enforcement personnel and technology, to improve traffic flow, enhance neighborhood livability, and support equitable enforcement across the city by the end of the fiscal year.

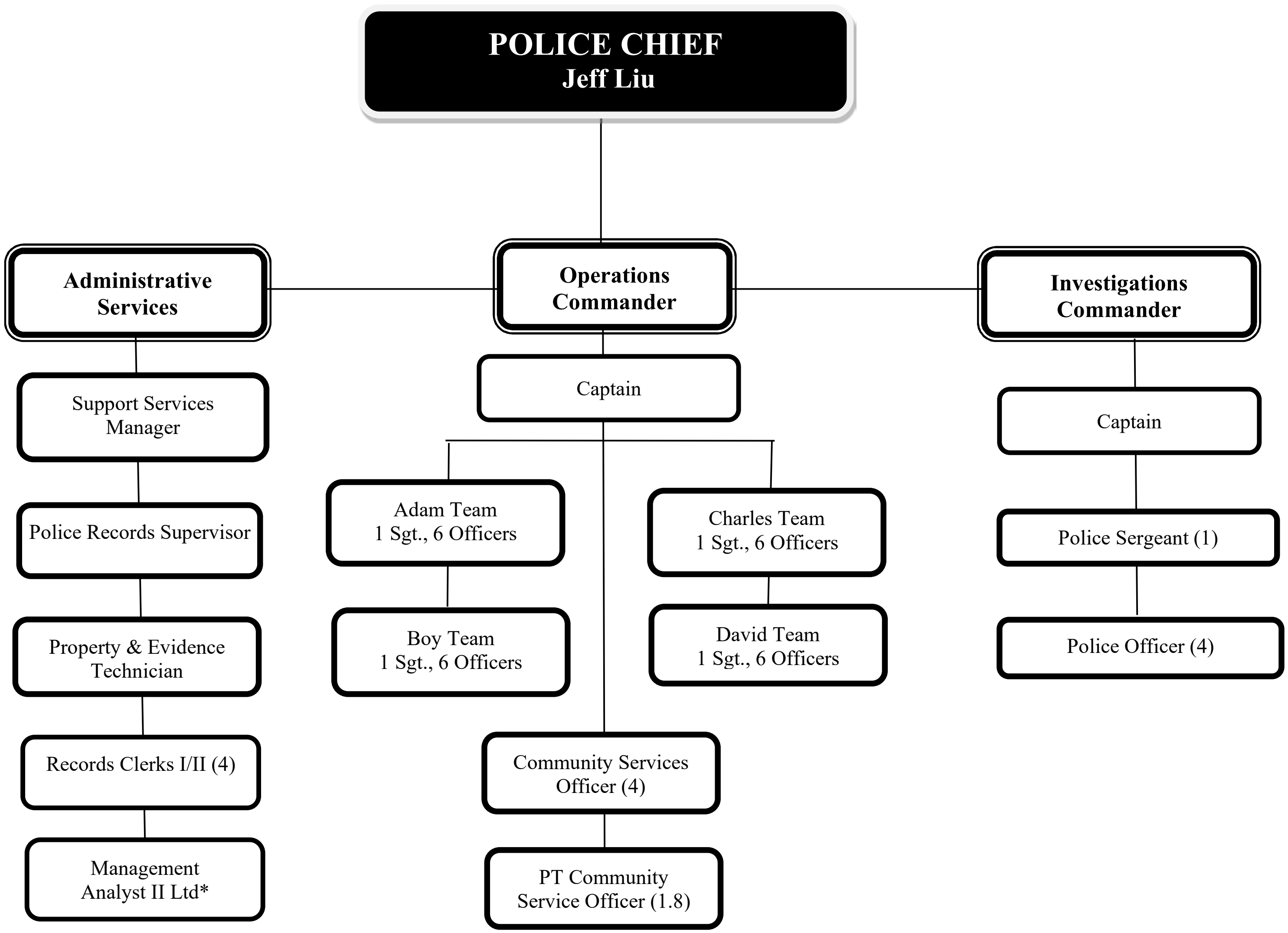
Department Summary

Investigations:

1. Work with the operations and administrations divisions to recruit, assign, and train qualified investigators to fill all vacant positions within the division.
2. Expand victim support services by formalizing partnerships with advocacy organizations, increasing referrals to mental health and trauma recovery resources.
3. Partner with the City Manager's Office to develop and implement a robust emergency preparedness plan that engages the community and enhances public awareness.

POLICE DEPARTMENT

FY 2026-2027 Budget



Total FTE's: 49.80

This Page Intentionally Left Blank

POLICE DEPARTMENT

FY 2026-2027 Budget

Administration Division

Division Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	414,605	485,577	545,000	580,000	580,000
Use of Resources	4,442,545	4,882,189	5,195,147	6,008,716	6,008,716
Special Revenue Funds	224,106	119,531	320,000	-	-
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**5,081,256**	**5,487,297**	**6,060,147**	**6,588,716**	**6,588,716**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Administration Division	5,081,256	5,487,297	6,060,147	6,588,716	6,588,716
TOTAL	**5,081,256**	**5,487,297**	**6,060,147**	**6,588,716**	**6,588,716**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	1,578,168	1,618,109	1,763,822	1,795,855	1,795,855
Subtotal	**1,578,168**	**1,618,109**	**1,763,822**	**1,795,855**	**1,795,855**
Supplies and Services					
Purchased Services	2,986,521	3,205,307	3,778,675	4,379,361	4,379,361
Supplies and Materials	279,048	241,096	227,150	213,500	213,500
Capital Expenditures	237,519	422,785	290,500	200,000	200,000
Other Expenditures	-	-	-	-	-
Subtotal	**3,503,088**	**3,869,188**	**4,296,325**	**4,792,861**	**4,792,861**
TOTAL	**5,081,256**	**5,487,297**	**6,060,147**	**6,588,716**	**6,588,716**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Police Chief	1.00	1.00	1.00	1.00	1.00
Support Services Manager	1.00	1.00	1.00	1.00	1.00
Property & Evidence Technician	1.00	1.00	1.00	1.00	1.00
Police Record's Clerk I/II	4.00	4.00	4.00	4.00	4.00
Police Record's Supervisor	1.00	1.00	1.00	1.00	1.00
Management Analyst II Ltd*	1.00	1.00	1.00	1.00	1.00
TOTAL	**9.00**	**9.00**	**9.00**	**9.00**	**9.00**

* Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

POLICE DEPARTMENT

FY 2026-2027 Budget

Administration Division Summary

SERVICE DESCRIPTION

The Administration Division provides direction, coordination and oversight to police employees and operations involving grants, contracts, policy matters, training, discipline and purchasing.

Under the supervision of the Chief of Police and the Support Services Manager, the Division is comprised of the Records Division, including the Property and Evidence Officer. The Administration Division has a direct staffing level of 9.0 positions.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects an increase of $528,569 (+8.7%) compared to the FY 2025–26 Adopted Budget. This increase is primarily driven by higher expenditures for purchased services ($600,686), mainly attributable to increased county service costs, and salaries and benefits ($32,033). These increases are partially offset by decreases in capital expenditures ($90,500) and supplies and materials ($13,650).

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	$6,060,147		
2026-27 Proposed	$6,588,716	$528,569	8.7%
2026-27 Adopted	$6,588,716	$0	0.0%

POLICE DEPARTMENT

FY 2026-2027 Budget

Administration Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Work with the City Manager's Office on site selection, funding strategy, and space needs for a new police facility, ensuring the design supports modern policing, community engagement, and long-term operational growth by the end of the fiscal year.	Working with the City Manager's Office, we have a promising project in process.
2.	Implement a targeted recruitment and hiring strategy to fill all vacant sworn and professional staff positions.	The vacant Support Services Manager position has been filled, three new Police Recruits will onboard this year, and a panel is being held to fill the vacant Police Officer position.
3.	Implement a new Computer Aided Dispatch (CAD) system designed to improve efficiency for patrol personnel by streamlining workflows, reducing response delays, and delivering enhanced data accuracy to support informed decision making and resource deployment	We completed the Request for Proposals process and evaluated multiple service providers based on cost and deliverables. Based on this evaluation, the department will continue working with our existing service provider to enhance service delivery and increase capacity.

POLICE DEPARTMENT

FY 2026-2027 Budget

Administration Division

OBJECTIVES

1.	The Civic Commons Project is progressing, and we plan to work closely with the City Manager’s Office to move forward with breaking ground on a new Police Department facility.
2.	Complete the ongoing project to install an onsite Livescan system, enhancing departmental capabilities and providing an accessible resource for the community.
3.	We aim to deploy new technology that provides the community with an enhanced online reporting platform, designed to overcome language barriers, ADA accessibility challenges, and literacy limitations.

POLICE DEPARTMENT

FY 2026-2027 Budget

Investigations Division

Division Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	940,444	1,442,737	2,582,994	1,750,565	1,750,565
Special Revenue Funds	-	-	-	-	-
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
TOTAL	**940,444**	**1,442,737**	**2,582,994**	**1,750,565**	**1,750,565**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Investigations Division	940,444	1,442,737	2,582,994	1,750,565	1,750,565
TOTAL	**940,444**	**1,442,737**	**2,582,994**	**1,750,565**	**1,750,565**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	940,444	1,440,637	2,456,836	1,626,407	1,626,407
Subtotal	**940,444**	**1,440,637**	**2,456,836**	**1,626,407**	**1,626,407**
Supplies and Services					
Purchased Services	-	-	116,158	114,158	114,158
Supplies and Materials	-	2,100	10,000	10,000	10,000
Capital Expenditures	-	-	-	-	-
Other Expenditures	-	-	-	-	-
Subtotal	**-**	**2,100**	**126,158**	**124,158**	**124,158**
TOTAL	**940,444**	**1,442,737**	**2,582,994**	**1,750,565**	**1,750,565**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Captain	1.00	1.00	1.00	1.00	1.00
Police Officer	4.00	4.00	4.00	4.00	4.00
Police Sergeant	1.00	1.00	1.00	1.00	1.00
Community Services Officer	3.00	-	-	-	-
Cold Case Investigator (PT)	0.45	0.45	-	-	-
Community Services Officer (4 PT)	1.80	-	-	-	-
TOTAL	**11.25**	**6.45**	**6.00**	**6.00**	**6.00**

* Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

Investigations Division Summary

SERVICE DESCRIPTION

The Investigations Division conducts all major criminal investigations, including homicides and aggravated assaults.

Under the direct supervision of the Criminal Investigations Captain, the Investigations Division is comprised of (1) Captain, (1) Detective Sergeant, (4) Police Officers (Detectives) and (2) Part-time Special Projects Managers Investigating "Cold Case" Homicides, investigative support, and special projects management.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The $832,429 (32.2%) decrease from the FY 2025–26 Adopted Budget to the FY 2026–27 Proposed Budget is primarily attributable to reductions in salaries and benefits and purchased services.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous	% Change From Previous
2025-26 Adopted	$2,582,994		
2026-27 Proposed	$1,750,565	($832,429)	-32.2%
2026-27 Adopted	$1,750,565	$0	0.0%

POLICE DEPARTMENT

FY 2026-2027 Budget

Investigations Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Work with the operations and administrations divisions to recruit, assign, and train qualified investigators to fill all vacant positions within the division.	Over the past year, in coordination with the Operations and Administration Divisions, one full-time investigator and one limited-term investigator were assigned to the Investigations Division, both of whom are currently receiving extensive formal and on-the-job training to ensure their effectiveness in these roles.
2.	Expand victim support services by formalizing partnerships with advocacy organizations, increasing referrals to mental health and trauma recovery resources.	The Department has added a grant-funded mental health crisis clinician to support both our community and our personnel; since onboarding, the clinician has built strong relationships with community members and local organizations while providing critical services to individuals who might otherwise struggle to access needed resources.
3.	Partner with the City Manager’s Office to develop and implement a robust emergency preparedness plan that engages the community and enhances public awareness.	In furtherance of this objective, the Police Department, in partnership with the City Manager’s Office, has been actively working to strengthen the City’s emergency preparedness plan while also enhancing the emergency preparedness capabilities of City staff through coordinated planning and training efforts.

Investigations Division

OBJECTIVES

1.	Enhance investigative efficiency by leveraging technology to streamline case management, improve investigative efficiency, and support timely, data-driven investigative outcomes.
2.	Fully staff the Investigations Division by filling the current vacancy and ensuring the newly assigned investigator receives comprehensive training to effectively perform in the role.
3.	Strengthen security and enhance the effectiveness of 290 registrations through the strategic use of technology and robust identity confirmation,

POLICE DEPARTMENT

FY 2026-2027 Budget

Operations Division

Division Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	7,041,578	7,211,529	8,064,016	9,244,596	9,244,596
Special Revenue Funds	-	-	-	200,000	200,000
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Succesor Agency Trust Fund	-	-	-	-	-
	7,041,578	**7,211,529**	**8,064,016**	**9,444,596**	**9,444,596**

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Operations Division	7,041,578	7,211,529	8,064,016	9,444,596	9,444,596
TOTAL	**7,041,578**	**7,211,529**	**8,064,016**	**9,444,596**	**9,444,596**

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	6,934,184	7,060,289	7,714,016	9,044,596	9,044,596
Subtotal	**6,934,184**	**7,060,289**	**7,714,016**	**9,044,596**	**9,044,596**
Supplies and Services					
Purchased Services	1,619	978	200,000	200,000	200,000
Supplies and Materials	105,775	150,262	150,000	200,000	200,000
Capital Expenditures	-	-	-	-	-
Other Expenditures	-	-	-	-	-
Subtotal	**107,394**	**151,240**	**350,000**	**400,000**	**400,000**
TOTAL	**7,041,578**	**7,211,529**	**8,064,016**	**9,444,596**	**9,444,596**

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Captain	1.00	1.00	1.00	1.00	1.00
Police Sergeant	4.00	4.00	4.00	4.00	4.00
Police Officer	24.00	24.00	24.00	24.00	24.00
Police Officer (3PT)	1.35	-	-	-	-
Community Services Officer	-	4.00	4.00	4.00	4.00
Community Services Officer (4 PT)	-	1.80	1.80	1.80	1.80
TOTAL	**30.35**	**34.80**	**34.80**	**34.80**	**34.80**

* Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

POLICE DEPARTMENT

FY 2026-2027 Budget

Operations Division Summary

SERVICE DESCRIPTION

The Operations Division provides effective police services throughout the City, handle service calls, engages in problem-solving with the community, and keeps the peace.

Under the direction of the Chief of Police, the Operations Division is led by (1) Captain. The Operations Division performs police patrols, calls for service response, traffic enforcement, and special enforcement activities. The Operations Division has an authorized direct staffing level of 34.80 positions.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects an increase of $1,380,580 (17.1%) compared to the FY 2025–26 Adopted Budget. This increase is primarily attributable to higher salaries and benefits costs of $1,330,580 and an increase of $50,000 in supplies and materials for fuel.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	$ Change From Previous	% Change From Previous
2025-26 Adopted	$8,064,016		
2026-27 Proposed	$9,444,596	$1,380,580	17.1%
2026-27 Adopted	$9,444,596	$0	0.0%

POLICE DEPARTMENT

FY 2026-2027 Budget

Operations Division

ACCOMPLISHMENTS

	OBJECTIVES	RESULTS
1.	Collaborate with the administrative division and Human Resources to recruit, hire, and deploy enough sworn Officers and CSO's to fully staff all positions.	We are presently fully staffed with Police Officers, and the recruitment process for the anticipated upcoming open police officer position is underway. Pending a successful conclusion of the interview and hiring process, we anticipate achieving full staffing by the end of the year.
2.	Collaborate with department leadership to creatively restructure existing resources and assignments to pilot a dedicated traffic enforcement unit focused on neighborhood traffic complaints.	We have successfully staffed one motor officer position and are optimistic that we will be able to fill an additional position within the next year.
3.	Partner with the City Manager's Office to implement a comprehensive parking management strategy, including the acquisition or contracting of dedicated parking enforcement personnel and technology, to improve traffic flow, enhance neighborhood livability, and support equitable enforcement across the city by the end of the fiscal year.	In collaboration with the City Manager's Office, we have successfully contracted with LAZ Parking to provide 24-hour, seven-day-a-week parking enforcement services. Enforcement will begin with a soft-education phase starting April 1, followed by full enforcement with citation issuance beginning in mid-April. With the addition of this dedicated enforcement and the support of our motor officer, we are optimistic that traffic flow and overall neighborhood livability will improve.

Operations Division

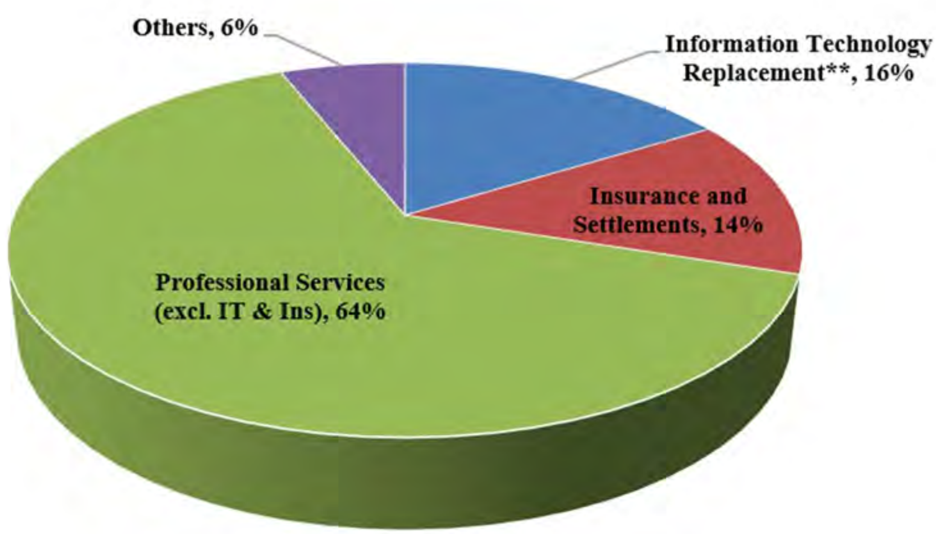
OBJECTIVES

1.	Expand the Traffic Enforcement Unit by adding a second motorcycle Officer focused on enhancing traffic safety.
2.	Enhance public safety by developing informative and engaging social media content that educates our community on critical public safety topics, including crime prevention, traffic safety, emergency preparedness, and community resources. By leveraging these platforms, we hope to empower residents with knowledge, foster stronger community partnerships, and promote proactive safety practices across East Palo Alto.
3.	We will collaborate with LAZ Parking to strengthen parking enforcement and remove abandoned vehicles, addressing blight and improving access to already limited street parking for the community.

NON-DEPARTMENTAL
FY 2026-2027 Budget

FY 2026-27
Operating $8,163,926

CHARACTER OF EXPENDITURES*



*Excludes Successor Agency activities
**Excludes capital equipment purchases budgeted directly in department or division.

NON-DEPARTMENTAL

FY 2026-2027 Budget

Department Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	798,642	1,163,781	589,262	1,745,714	1,745,714
Special Revenue Funds	3,177,414	866,351	972,980	1,048,404	1,048,404
Capital Project Fund	9,238,459	-	180,233	188,608	188,608
Enterprise Funds	3,716,186	3,379,944	5,126,596	5,369,808	5,369,808
	7,692,242	**5,410,076**	**6,688,838**	**8,163,926**	**8,163,926**

EXPENDITURES BY DEPARTMENT*	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Information Technology Replacement**	526,879	288,444	379,500	1,325,968	1,325,968
Insurance and Settlements	814,687	902,832	910,690	1,123,373	1,123,373
Professional Services (excl. IT & Ins)	4,001,734	4,178,207	5,076,115	5,219,173	5,219,173
Others	2,348,942	40,594	322,533	495,412	495,412
Subtotal	**7,692,242**	**5,410,076**	**6,688,838**	**8,163,926**	**8,163,926**

*Excludes Successor Agency activities

**Excludes capital equipment purchases budgeted directly in department or division.

Miscellaneous

Introduction

This section contains the following items of interest:

This Page Intentionally Left Blank

FY 2026-2027 Capital Improvement Funding

PROJECT #	DESCRIPTION	FUND	SOURCE	TOTAL
N/A	IT Strategic Plan	F111	IT Fund	$1,158,000
	Sub-total IT fund			**$1,158,000**
ST-07	Annual Street Resurfacing Project	F201	State Gas Tax - SB1 Funds	$1,500,000
ST-09	Bicycle & Pedestrian Improvements	F201	State Gas Tax - SB1 Funds	$500,000
	Sub-total State Gas Tax			**$2,000,000**
ST-07	Annual Street Resurfacing Project	F202	Measure A	$500,000
ST-15	Signage and Striping Improvements	F202	Measure A	$50,000
	Sub-total Measure A			**$550,000**
ST-07	Annual Street Resurfacing Project	F234	Measure W	$250,000
	Sub-total Measure W			**$250,000**
N/A	San Francisquito Creek Sediment Removal	F301	CIP Local Match Fund	$800,000
SD-04	Street Sweeping Signage	F301	CIP Local Match Fund	$80,000
ST-33	Woodland Ave Street Improvements	F301	CIP Local Match Fund	$175,000
	Sub-total CIP (Local match)			**$1,055,000**
FA-03	City Wide - EV Charging Station	F303	CIP Grant Fund	$580,000
ST-07	Annual Street Resurfacing Project	F303	CIP Grant Fund	$50,000
ST-33	Woodland Avenue Street Improvements	F303	CIP Grant Fund	$525,000
ST-39	Fordham Street Improvement	F303	CIP Grant Fund	$75,000
	Sub-total CIP (Grant)			**$1,230,000**
WS-01B	Emergency Water Connects – Palo Alto Park Mutual	F511	Water Capital Surcharge Fund	$150,000
WD-06	Fire Hydrant Replacement (NEW)	F511	Water Capital Surcharge Fund	$230,000
	Sub-total Water Capital Surcharge fund			**$380,000**
EPASD 1.1	Sewer System Master Plan - Pipeline Replacement	F530	EPA Sanitary District	$1,000,000
EPASD 1.2	2025 Sewer System Master Plan - Pipeline Replacement	F530	EPA Sanitary District	$1,695,000
	Sub-total Sewer Capital Surcharge fund			**$2,695,000**
TOTAL FY 2026-27 CIP FUNDING				**$9,318,000**

Note:
Major CIP does not include technology asset replacement.

This Page Intentionally Left Blank

FY 2026-27 Cost Allocation Plan Overhead Charges

Allocation	Building Use	City Council	City Manager's Office	Clerk Services	Human Resource	City Attorney	Finance	PW - Admin	PW - Maintenance	Non-Departmental	Information Technology ISF	Insurance ISF	TOTAL
General	$ (130,688)	$ (50,225)	$ (410,164)	$ (73,939)	$ (114,759)	$ (300,748)	$ (797,448)	$ (464,115)	$ -	$ (14,080)	$ (167,685)	$ (176,557)	$ (2,700,408)
State Gas Tax	$ -	$ 3,044	$ 26,988	$ 2,663	$ 8,112	$ -	$ 60,630	$ 50,812	$ -	$ -	$ 6,352	$ 6,688	$ 165,288
Measure A	$ -	$ -	$ 57	$ -	$ -	$ -	$ 7,242	$ 47,274	$ -	$ -	$ -	$ -	$ 54,574
Mesure W	$ -	$ -	$ 28	$ -	$ -	$ -	$ 6,687	$ 12,559	$ -	$ -	$ -	$ -	$ 19,274
NPDES	$ 26,906	$ -	$ 19,597	$ -	$ 16,603	$ -	$ 44,400	$ 18,365	$ -	$ -	$ 13,001	$ 13,688	$ 152,560
Lighting District	$ -	$ -	$ 5,817	$ -	$ 1,028	$ -	$ 30,905	$ 15,771	$ -	$ -	$ 805	$ 847	$ 55,173
Drainage District	$ -	$ -	$ 6,436	$ -	$ 2,934	$ -	$ 38,231	$ 12,852	$ -	$ -	$ 2,297	$ 2,418	$ 65,169
CIP (Local Matching)	$ -	$ -	$ 3,752	$ -	$ 5,648	$ -	$ 29,573	$ 136,332	$ -	$ -	$ 4,422	$ 4,656	$ 184,383
Impact Fee	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,226	$ -	$ -	$ -	$ -	$ -	$ 10,226
Rent Stabilization	$ -	$ 3,044	$ 29,282	$ 14,662	$ 22,589	$ 143,331	$ 60,646	$ -	$ -	$ 14,080	$ 22,110	$ 23,280	$ 333,024
Housing in Lieu	$ -	$ -	$ 1,695	$ -	$ -	$ -	$ 9,032	$ -	$ -	$ -	$ -	$ -	$ 10,728
Housing TOT	$ -	$ -	$ 476	$ -	$ -	$ -	$ 7,228	$ -	$ -	$ -	$ -	$ -	$ 7,704
Housing Assistance	$ -	$ -	$ 51	$ -	$ -	$ -	$ 9,154	$ -	$ -	$ -	$ -	$ -	$ 9,206
Park in Lieu	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,107	$ -	$ -	$ -	$ -	$ -	$ 1,107
CYSFF TOT	$ -	$ -	$ 790	$ -	$ -	$ -	$ 8,446	$ -	$ -	$ -	$ -	$ -	$ 9,236
Water	$ 38,438	$ 9,132	$ 37,252	$ 7,990	$ 11,294	$ 32,358	$ 68,663	$ 23,350	$ -	$ -	$ 8,844	$ 9,312	$ 246,631
Garbage Service	$ 65,344	$ 4,565	$ 24,980	$ 3,994	$ 26,253	$ -	$ 46,874	$ 9,356	$ -	$ -	$ 20,557	$ 21,644	$ 223,569
Successor Agency	$ -	$ -	$ 511	$ -	$ 1,098	$ -	$ 4,847	$ -	$ -	$ -	$ 860	$ 905	$ 8,220
EPASD	$ -	$ 30,439	$ 252,452	$ 44,630	$ 19,200	$ 125,059	$ 353,555	$ 137,443	$ -	$ -	$ 88,439	$ 93,118	$ 1,144,337

This Page Intentionally Left Blank

Glossary

AB x1 26 - legislation adopted and signed by Governor Jerry Brown in June 2011 and upheld by the California Supreme Court in California Redevelopment Association, et al. v. Ana Matosantos,et al., which eliminated redevelopment agencies. As a result, the Redevelopment Agency of the City of East Palo Alto (RDA) was dissolved effective February 1, 2012. AB x1 26 provides that the City may become the Successor Agency to the Redevelopment Agency (affirmed by the City Council on January 10, 2012), and continue to satisfy "enforceable obligations" of the former RDA and administer the dissolution and wind down of the former RDA

AB 1484 - legislation adopted and signed by Governor Jerry Brown in June 2012 that amended various provisions of AB x1 26.

ADOPTED BUDGET - The City budget for a fiscal year, adopted by the City Council by resolution following the close of budget hearings.

APPROPRIATION - Legal authorization granted by City Council or other policy body to make expenditures and incur obligations for a specific purpose within a specific time frame.

ASSESSED VALUATION - A dollar value placed on real estate or other property by the County as a basis for levying property taxes.

AUDIT - A review of the City's accounts by an independent auditing firm to substantiate fiscal year-end balances and assure compliance with generally accepted standards for financial accounting and reporting.

AVAILABLE FUND BALANCE - The amount of fund balance available to finance appropriation requirements after deducting reserves.

BOND PROCEEDS - The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

BONDS - A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date.

BUDGET - A plan of financial operation, embodying an estimate of expenditures/ expenses for a given period (typically a fiscal year) and the means of financing them (revenue estimates). Upon approval by the City Council, the budget appropriation resolution is the legal basis for expenditures in the fiscal year.

BUDGET AUTHORITY - Under certain circumstances, the City Council may adjust the budgeted appropriations for reasons unforeseen at the time of the adoption of the original budget. Such amendments are made by Council resolution. The City Manager may make transfers of appropriations within a fund.

BUDGETARY CONTROL – The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

BUSINESS LICENSE TAX - This is a general tax on businesses for the privilege of conducting business within the city. Rates are set at each city's discretion but may not be discriminatory or confiscatory.

CAPITAL IMPROVEMENT BUDGET - Annual appropriations for capital improvement projects such as street improvements, building construction and various kinds of major facility maintenance. Capital projects are outlined in a five-year expenditure plan which details funding sources and expenditure amounts. They often are multi-year projects which require funding beyond the one-year period of the annual budget.

CAPITAL OUTLAY - Expenditures which result in the acquisition of, or addition to, fixed assets.

CAPITAL PROJECT - Any project having assets of significant value and a useful life of five years or more. Capital projects include the purchase of land, design, engineering, and construction of buildings, infrastructure such as streets, bridges, drainage, street lighting, water/sewer systems, etc. Capital projects may include the acquisition of heavy equipment management control technique of formal budgetary and machinery or rolling stock using capital funding sources.

CAPITAL PROJECTS FUND - A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

CAPITALIZATION POLICY - The criteria used by a government to determine which outlays should be reported as fixed assets.

CASH WITH FISCAL AGENT - An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

CAPITAL INVESTMENT PROGRAM (CIP) - A section in the five-year capital plan listing projects for which some level of funding is available.

COMMUNITY ORIENTED POLICING SERVICES (COPS) - A grant program supporting community involvement offered by the U.S. Department of Justice.

CONSUMER PRICE INDEX (CPI) - A statistical description of price levels provided by the U.S. Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.

CONTINGENCY - An amount of money appropriated for unforeseen expenditures. It is limited to not more than 15% of the appropriations in any fund.

CURRENT SERVICE CHARGES - These are charges imposed to support services provided to individuals. These charges may not exceed the cost of providing the service plus overhead. The rationale behind service charges is that certain services are primarily for the benefit of individuals rather than the general public.

DEBT SERVICE - Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes or leasing arrangements.

DEBT SERVICE FUND - A fund established to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.

DEFICIT - An excess of expenditures or expenses over revenues (resources).

DEPARTMENT - An organizational unit comprised of divisions or programs. It is the basic unit of service responsibility encompassing a broad mandate of related activities.

DEPRECIATION - (1) Expiration in the service life of fixed assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. (2) The portion of the cost of a fixed asset, other than wasting assets, charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

DESIGNATED FUND BALANCE- A portion of an unreserved fund balance that has been "earmarked" by the City Manager or the City Council for specified purposes.

DESIGNATION - An account containing money set aside by the City Council for a specific future use. Money in a designation is earmarked for specific use, but may not be legally restricted to that use.

DEVELOPMENT IMPACT FEES - Fees placed on the development of land or conditions required for the approval of a development project such as the donation ("dedication" or "exaction") of certain lands (or money) to specific public uses. The fees are typically justified as an offset to the future impact that development will have on existing infrastructure.

DIVISION - A sub-section (or activity) within a department which furthers the objectives of the City by providing specific services or programs.

ENCUMBERANCE - An anticipated expenditure committed for the payment of goods and services not yet received or paid for. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

ENTERPRISE FUND - A fund established to account for operations financed and operated in a manner similar to private business enterprises (e.g., water, gas and electric utilities, airports, parking garages, or transit systems). In this case the governing body intends that costs (i.e., expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. A fund established because the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management controls, accountability or other purposes.

ERAF - Educational Revenue Augmentation Fund. The state enacted legislation in 1992 whereby partial responsibility of funding education was shifted to local governments, directing specified amounts of local agency property taxes to be deposited into such funds to support schools.

EXCESS ERAF REFUND - Accounts for the remaining funds in ERAF account after the County of San Mateo has met the State's revenue limits for schools and community colleges. The revenue limit is based on several factors such as average daily attendance and cost of living increases. The excess is then refunded proportionally to each agency's contribution based on state statue.

EXPENDITURES - Monies spent, including current operating expenses, debt service and capital outlays.

EXPENSE - The actual spending of funds by an enterprise fund set aside by an appropriation.

FINES FORFEITURES AND PENALTIES - Revenues received and/or bail monies forfeited upon conviction of a misdemeanor or municipal infraction.

FISCAL YEAR - In accounting terms, it is the net of a twelve-month period used for budgeting and accounting purposes. For the City of East Palo Alto, the fiscal year is from July 1 to June 30.

FIXED ASSETS - Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, and improvements other than buildings and land. In the private sector, these assets are referred to most often as property, plant and equipment.

FORFEITURE- See Fines, forfeitures, and penalties.

FRANCHISES FEES- Fees paid to a municipality from a franchisee for "rental" or as a "toll" for the use of city streets and rights-of-way. The businesses required to pay franchise fees in East Palo Alto include utilities such as water, gas, electricity, cable television and solid waste collection and disposal. Telephone utilities are specifically exempted from franchise fees by State law.

FULL-TIME EQUIVALENT (FTE) - The amount of time a regular full or part-time position has been budgeted for in terms of the amount of time an employee works in a year. Except as noted, part-time services provided by casual/seasonal employees, such as those for summer recreation programs, are not included.

FUND - An independent fiscal and accounting entity with a self-balancing set of accounts. Examples are the General Fund, Special Revenue Funds, Capital Projects, Enterprise, and Internal Service Funds.

FUND BALANCE - The amount of financial resources available for use. Generally, this represents a summary of all the annual operating surpluses and deficits since the fund's inception.

FY - Fiscal year.

GASOLINE TAX (HIGHWAY USERS TAX) - The Gasoline Tax is a 26-cent per gallon tax on fuel used to propel a motor vehicle or aircraft. The use of these revenues is restricted to "research, planning, construction, improvement, maintenance, and operation of public streets and highways or public mass transit guideways". The basic means of distribution to cities is population. The allocation formula is very complicated.

GENERAL FUND - The primary fund used to account for all revenues and expenditures of the City not legally restricted as to use. This fund is used to offset the cost of the City's general operations. Examples of departments financed by the General Fund include the Police and Administrative Support Services Departments, such as the City Manager's Office.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB) - A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

GRANT - Contributions, gifts of cash or other assets from another governmental entity to be used or expended for a specific purpose, activity or facility.

HOMEOWNER'S PROPERTY TAX RELIEF - Revenue from the state to offset city loss of property tax for state-imposed $7,000 per dwelling homeowner exemption.

INFRASTRUCTURE - Facilities on which the continuance and growth of a community depend, such as streets and roads, sewers, public buildings, parks, etc.

INTRAFUND TRANSFERS - A transfer of moneys between departments in the same fund.

INVESTMENT EARNINGS - Revenue earned from the investment of idle public funds.

JOING POWERS AUTHORITY - The Joint Exercise of Powers Act authorizes local public agencies to exercise common powers and to form joint powers authorities (JPAs) for the purpose of jointly receiving or providing specific services.

LEGAL LEVEL OF BUDGETARY CONTROL - The level at which spending in excess of budgeted amounts would be a violation of law.

LEVEL OF BUDGETARY CONTROL - One of the three possible levels of budgetary control and authority to which organizations, programs, activities and functions may be subject. These levels of budgetary control are: (a) appropriated budget, (b) legally authorized non-appropriated budget review and approval process, which is outside the appropriated budget process or (c) non-budgeted financial activities, which are not subject to the appropriated budget and the appropriation process or to any legally authorized non-appropriated budget review and approval process, but still are relevant for sound financial management and oversight.

LEVY - (Verb) to impose taxes, special assessments or service charges for the support of governmental activities; (noun) the total amounts of taxes, and/or special assessments and/or service charges imposed by a governmental agency.

LICENESES AND PERMITS - Charge designed to reimburse City for costs of regulating activities being licensed, such as licensing of animals and bicycles, etc.

LIEN - A claim on assets, especially property, for the payment of taxes or utility service charges.

LIQUIDITY - Refers to the ability to rapidly convert an investment into cash.

LOCAL AGENCY INVESTMENT FUND (LAIF) - Was established by the state to enable treasurers to place idle funds in a pool for investment. Each agency is currently limited to LAIF to an investment of $20 million plus any bond proceeds.

MISSION STATEMENT- A succinct description of the scope and purpose of a City department.

MEASURE C PARCEL TAX – A measure pass by the voters on the November 2006 ballot that calls for a 10 year special tax on all City parcels. Revenue generated from such tax will be used for public safety and crime prevention programs.

MOTOR VEHICLE IN-LIEU FEES - State residents pay a fee to the State each year that is computed as a percent of the depreciated value of their motor vehicles. Each city and county in California receive a portion, based on population, of the total motor vehicle license fees collected by the State. In 2004, the State reduced local government allocation from 2.0% to 0.67%. The difference of 1.33% was a swap for local property tax, now known as Property Tax in Lieu of VLF.

OBJECTIVES - The expected results or achievements of a budget activity which can be measured and achieved within a given time frame. Achievement of the objective advances the organization towards a corresponding goal.

OPERATING BUDGET - Annual appropriation of funds for on-going program costs, including salaries and benefits, services and supplies, debt service and capital outlay.

ORDINANCE - A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless preempted by a higher form of law. An ordinance has a higher legal

OTHER EXPENDITURES- This category reflects transfer outs of the General Fund and excise tax settlement payments. Transfers are used to move funds to other operating funds in order to finance the operations of another fund or to reimburse the other fund for certain services provided to the General Fund.

OTHER FINANCING SOURCES - Governmental fund general long-term debt proceeds, amounts equal to the present value of minimum lease payments arising from capital leases, proceeds from the sale of general fixed assets, and operating transfers in.

OTHER FINANCING USES - Governmental fund operating transfers out and the amount of refunding bond proceeds deposited with the escrow agent. Such amounts are classified separately from expenditures on the governmental operating statement.

OTHER REVENUES - This category includes reimbursements from other government agencies, interest earned on investments and contributions. This category also includes some loan repayments made to the General Fund, i.e., from the Redevelopment Agency for budget purposes only.

OVERHEAD ALLOCATION - A methodology for identifying and allocating overhead, (indirect) costs incurred by central services departments to the direct cost programs.

OVERSIGHT BOARD – this board provides some oversight to the Successor Agency (see definition) and has the fiduciary responsibility to holders of enforceable obligations and the taxing entities that benefit from the distribution of the revenues, especially property tax revenue.

PERFORMANCE MEASURE- An annual indicator of achievement or measures of prediction for a program of work unit as defined in the organization of the budget. Measures may be expressed as a number count, fraction, or a percent of achievement related to the size of the problem or service being provided.

PERMITS, FEES AND CHARGES FOR SERVICES- This category includes the City's charges and fees for licenses and permits issued by the City; as well as, the community development services of staff, provided to customers. The license and permit revenues are designed to reimburse the City for costs of regulating the activities being licensed. Fees and charges for services are imposed to support services provided to individuals and businesses.

PERS - Public Employees' Retirement System.

P.O.S.T - Peace Officer Standards and Training - a State reimbursement program for Police Officer Training.

PROPERTY TAX - Homes, businesses, and other taxable real and personal property are subject to a property tax rate of 1% of assessed value. Since Proposition 13 was enacted in 1978, the assessed valuation of real property in the "base year" of 1975-1976 may increase each year by the change in the Consumer Price Index (CPI), not to exceed 2% <u>as long as it is held by the same owner</u>. When there is a transfer of property ownership, or when property is newly constructed, it is reappraised at its current full market value. The property tax is imposed on real property (land and permanently attached improvements such as buildings) and tangible personal property (movable property) located within the state. By definition, this ad valorem tax is based on the property value, as defined in law, rather than on a fixed amount or benefit.

ADOPTED BUDGET - The financial and operating document submitted by the City Manager to the City Council for consideration.

PROPOSITION 13 - Article XIIIA of the California Constitution, commonly known as Proposition 13, which limits the maximum annual increase of any ad valorem tax on real property to 1% of the full cash value of such property.

PURCHASED SERVICES - This category covers a wide-range of services such as consulting services, outside professional, legal, and auditing services, county services, i.e., supplemental police patrol, and animal control services; City facilities maintenance services, etc.

RDA - Redevelopment Agency.

RECEIVABLES-REDEVELOPMENT AGENCY- This receivable sets out amounts due the City from the Redevelopment Agency making those funds unavailable for appropriations until received.

REGULAR POSTISION - Any permanent position in the classified service that is required to be filled through certification, or by provisional appointment.

REIMBURSEMENT FOR STATE MANDATED COSTS - Article XIIIB, Section 6 of the California Constitution which requires the State to reimburse local agencies for the cost of state-imposed programs. Process is commonly called "SB 90" after its original 1972 legislation.

RESERVE - An account used to record a portion of the fund balance as legally segregated for a specific use, usually at a future time.

RESOLUTION - A special order of the City Council which has a lower legal standing than an ordinance.

REVENUES - Monies received or anticipated by a local government from both tax and non-tax sources during the fiscal year.

SALARIES AND BENEFITS - This major category accounts for full-time and part-time employees, overtime expenses and all employee benefits, such as medical, dental, retirement, life insurance, long term disability, and workers compensation. Where applicable, uniform allowance is also included in this category.

SALES TAX - This tax is levied on goods and services at the point-of-sale. Sales tax in San Mateo County is 8.25% of which approximately 1% is returned to East Palo Alto for those sales which take place in East Palo Alto.

SB 90 - Reimbursement process for state mandated costs, named after its original 1972 legislation.

SERVICE CHARGES - Charges imposed to support services to individuals or to cover the cost of providing such services. The fees charged are limited to the cost of providing the service or regulation required (plus overhead).

SERVICES - Expenditures/expenses for services.

SINGLE AUDIT - An audit performed in accordance with the Single Audit Act of 1984 and the Office of Management & Budget (OMB) Circular A-128, Audits of State and Local Governments. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of the federal agencies.

SPECIAL REVENEUE FUND - A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes. GAAP only require the use of special revenue funds when legally mandated.

SUCCESSOR AGENCY – designated as the entity to the former redevelopment agency. The agency is given the authority, rights, powers, duties, and obligations previously provided to the former redevelopment agency under the Community Redevelopment Law, except for those that were repealed, restricted or amended in Assembly Bill 1X26. The purpose of the agency are 1)make payments on the redevelopment agency's enforceable obligations; and 2)wind down the activities of the redevelopment agency.

SUPPLEMENTAL PROPERTY TAX - In the event a property changes ownership, the county collects a supplemental property tax assessment in the current tax year by determining a supplemental value. In future tax periods, the property carries the full cash value.

SUPPLIES AND MATERIALS - This category of expenses relates to supplies needed and required to operate as a cost of doing business. Some of the major supplies consist of general office supplies, safety supplies, utilities and fuel for City vehicles, etc.

TAX - Compulsory charge levied by a government for the purpose of financing services performed for the common benefit.

TAX ALLOCATED BONDS - Bonds issued by redevelopment agencies to revitalize blighted and economically depressed areas of the community and to promote economic growth.

TAX BASE - The objects or transactions to which a tax is applied (e.g., parcels of property, retail sales, etc.). State law or local ordinances define the tax base and the objects or transactions exempted from taxation.

TAX INCREMENT FINANCING - A tax incentive designed to attract business investment by dedicating to the project area the new property tax revenues generate by redevelopment. The increase in revenues (increment) is used to finance development-related costs in that district.

TAX RATE - The amount of tax applied to the tax base. The rate may be flat, incremental or a percentage of the tax base, or any other reasonable method.

TEMPORARY POSITION - A non-regular, temporary position created to meet a peak workload or other unusual work situation; can include seasonal or recurrent intermittent employment.

TRANSIENT OCCUPANCY TAX (TOT) - This is a general tax imposed on occupants for the privilege of occupying rooms in hotels, motels, inns, or other lodging facilities for 30 days or less. The current tax rate in East Palo Alto is 12%. Of the total tax anticipated to be received by the City, there is a 10% set-aside for children, youth, senior and families services and another 10% for housing services for the residents of East Palo Alto.

TRUST FUNDS - Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

UNDESIGNATED FUND BALANCE - The City will maintain an Undesignated General Fund Balance to help mitigate the effects of such unanticipated situations as the following:

a) Economic downturns
b) Loss of revenues to or imposition of additional costs by other governmental agencies
c) Errors in financial forecasting
d) Natural disasters

UNRESERVED FUND BALANCE - That portion of a fund balance available for spending or appropriation in the future.

UTILITY USER'S TAX - This tax is imposed on the consumer (residential or commercial) of utilities – electric, gas, cable television, and telephone services. The current tax rate is 5%. The tax is collected by the companies providing the service as part of their billing process and is issued to the City.

VLF - See Motor Vehicle In-Lieu Fee.

This Page Intentionally Left Blank