



**BURLINGAME CITY COUNCIL
Unapproved Meeting Minutes
Regular City Council Meeting on March 16, 2026**

1. CALL TO ORDER

A duly noticed meeting of the Burlingame City Council was held on the above date in person and via Zoom at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE TO THE FLAG

The Pledge of Allegiance was led by Howard Wettan.

3. ROLL CALL

MEMBERS PRESENT: Brownrigg, Colson, Pappajohn, Stevenson, Thayer

MEMBERS ABSENT: None

4. REPORT OF REMOTE PARTICIPATION

There were no reports.

5. REPORT OUT FROM CLOSED SESSION

- a. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION, PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)**
 - 1.1 **MICHAEL MTICHELL, ET AL. V. CITY OF BURLINGAME, ET. AL., SAN MATEO COUNTY SUPERIOR COURT, CASE NO. 22-CIV-01964**
 - 1.2 **CHENGGUO, DONG, ET AL. V. CITY OF BURLINGAME, ET. AL., SAN MATEO COUNTY SUPERIOR COURT, CASE NO. 21-CIV-05900**
 - 1.3 **EZTEL WILLIAMS, III ET AL. V. PENINSULA CORRIDOR JOINT POWERS AUTHORITY, AKA CALTRAIN, CITY OF BURLINGAME, ET. AL., SAN MATEO COUNTY SUPERIOR COURT, CASE NO. 22-CIV-03763**
 - 1.4 **BOURI V. CITY OF BURLINGAME, SAN MATEO COUNTY SUPERIOR COURT, CASE NO. 24-CIV-06602**
 - 1.5 **BRIAN PATRICK WYNN V. CITY OF BURLINGAME, ET AL., SAN MATEO COUNTY SUPERIOR COURT, CASE NO. 25-CIV-01144**

- 1.6 NEVILLE, STEPHEN V. CITY OF BURLINGAME, SAN MATEO COUNTY SUPERIOR COURT, CASE NO. 25-CIV-05067
- 1.7 PAPERS & PETALS V. CITY OF BURLINGAME, SAN MATEO COUNTY SUPERIOR COURT, CASE NO. 24-CIV-08273
- 1.8 COUNTY OF SAN MATEO, ET AL. V STATE OF CALIFORNIA, ET AL., SAN FRANCISCO COUNTY SUPERIOR COURT CASE NO. CPF-25-519270

City Attorney Guina stated that no reportable action was taken.

- b. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION, PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)
 - 2.1 CLAIM OF WAWANESA INSURANCE, BU-1651
 - 2.2 CLAIM OF FRANCISCO BATARAO, BU-1653
 - 2.3 CLAIM OF SHOWCHIA HO, BU-1650
 - 2.4 CLAIM OF BALFOUR BEATTY INFRASTRUCTURE, INC., BU-1611
 - 2.5 CLAIM OF LEXINGTON INSURANCE COMPANY, BU-1612
 - 2.6 CLAIM OF LINDA GOODMAN, BU-1667
 - 2.7 CLAIM OF CHRIS TAGUNICAR, BU-1668
 - 2.8 CLAIM OF MING FANG, CLAIM OF TING TIN LIU, BU-1657
 - 2.9 CLAIM OF PG&E, BU-1666
 - 2.10 CLAIM OF SANDRA BARROLAZA, BU-1662
 - 2.11 CLAIM OF AUGUST OCHABAUER, BU-1659
 - 2.12 CLAIM OF AMY POWLEN, BU-1660
 - 2.13 CLAIM OF YAOWU MA, BU-1663
 - 2.14 CLAIM OF CURTIS CROSBY, BU-1669
 - 2.15 CLAIM OF MERCURY INSURANCE ASO STAJONNE MONTALVO, BU-1661
 - 2.16 CLAIM OF SVETLANA ELGART, BU-1665
 - 2.17 CLAIM OF GEICO INSURANCE ASO CRISTIAN HERNANDEZ, BU-1664

City Attorney Guina stated that no reportable action was taken.

6. UPCOMING EVENTS

Mayor Brownrigg reviewed upcoming events in the city.

7. PRESENTATIONS

a. REVIEW OF THE CITY'S PENSION LIABILITIES

Finance Director Yu-Scott introduced Actuary Doug Pryor to present the City's latest pension and retiree medical liability information and noted that the item was informational only.

Mayor Brownrigg asked Mr. Pryor to “connect the dots” between numbers and their implications and highlighted the need to understand what figures mean for the City.

Mr. Pryor explained that the City has two primary CalPERS plans: a Miscellaneous plan (a standalone plan with over 100 employees) and a Safety (police) plan (a risk-pool plan). His analysis was based on the June 30, 2024, CalPERS actuarial valuations, updated to reflect CalPERS’ finalized FY 2023 to 2024 investment return of 12.1% (revised from the initial 11.6%). Mr. Pryor showed a chart of historic CalPERS investment returns over approximately 30 years, highlighting substantial year-to-year volatility but generally acceptable long-term performance.

Councilmember Colson asked whether the reported returns were net or gross of fees. Mr. Pryor responded that the returns are net of investment fees but do not include administrative fees. Councilmember Colson asked about the use of “money-weighted” returns versus the more familiar “time-weighted” returns used in the investment industry. Mr. Pryor explained that CalPERS initially announces a preliminary return in July each year, before all privately held investments are fully valued. The final “money-weighted” return is calculated later and is the appropriate metric to compare to the discount rate. Differences between the time-weighted and money-weighted measures are generally small and not systemically biased over time.

Mr. Pryor then reviewed recent CalPERS asset allocation changes. Historically, CalPERS used a “strategic asset allocation” (SAA) with explicit target percentages for each asset class. In 2022, it introduced leveraged and private assets more heavily, and in late 2024, the CalPERS Board approved a move to a “total portfolio approach” (TPA), effective July 1, 2026. Under TPA, there are no fixed numeric targets disclosed for each asset class; instead, CalPERS manages overall portfolio risk relative to a benchmark of approximately 75% equities and 25% fixed income, with volatility controls. Mr. Pryor highlighted that the standard deviation of the portfolio (a measure of volatility) has increased from around 11% to about 12.7%, indicating that CalPERS is taking on more investment risk and that employer contributions should be expected to be more volatile in the future.

Councilmember Colson expressed concerns that the private debt allocation in the portfolio had grown from 0% to 8% in the last six years and now represented the largest component of fixed income, noting that private credit markets are under pressure. Councilmember Colson asked whether this presented additional risk to the City. Mr. Pryor, while emphasizing that he is an actuary rather than an investment manager, agreed that private debt had grown significantly, and the combined private equity and private debt in the CalPERS portfolio had risen from about 8% to roughly 25% over eight years.

Councilmember Stevenson summarized that CalPERS is effectively “embracing risk to generate higher returns,” and he and Councilmember Colson suggested that staff should raise specific questions with CalPERS (via the Finance Director) regarding the scale and risks of these private investments. Mr. Pryor noted that he could not add much beyond CalPERS’ published allocation targets but agreed the shift to more illiquid investments is material.

Mr. Pryor moved on to plan demographics. For the Miscellaneous plan (as of June 30, 2024), he reported 189 active employees, more than half of whom are PEPRA members, and 328 retirees/beneficiaries, for a ratio of nearly two retirees per active. For the Safety plan, there were 31 active officers and roughly three times as many retirees as active members, reflecting an aging police workforce and a high retiree-to-active ratio. He also noted a decrease in the number of filled safety positions and associated payroll between 2023 and 2024.

Mr. Pryor then presented the funded status of each plan, excluding the Section 115 pension trust.

- Miscellaneous:
 - Accrued liability of approximately \$197 million.
 - Assets of approximately \$145 million.
 - Unfunded liability (UAL) of about \$52 million.
 - Funded ratio of approximately 73%, a modest improvement from the prior year due largely to strong investment returns.
- Safety
 - Accrued liability of approximately \$117 million.
 - Assets of approximately \$77 million.
 - UAL of about \$41 million
 - Funded ratio of approximately 65%, lower than both the City's Miscellaneous plan and the typical CalPERS Safety plan.

Mr. Pryor then compared these funded ratios to the CalPERS universe. The Miscellaneous plan is somewhat below the median of all Miscellaneous plans (which is about 77% funded), and the Safety plan is more significantly below its peer median (around 74%), although these comparisons do not factor in any 115 trust assets or pension obligation bonds agencies might have.

Councilmember Colson pointed out that some agencies have issued pension obligation bonds (POBs), which can artificially improve funded ratios in CalPERS statistics while shifting debt to another part of their balance sheet. Since these POB amounts do not show up in CalPERS funded ratio comparisons, she cautioned colleagues not to overinterpret the City's relative position as alarming, noting Burlingame's remaining POB balance is relatively modest (about \$4.7 million). Mr. Pryor agreed that the funded ratio snapshot is only one indicator and must be interpreted alongside debt and payment capacity.

Mr. Pryor presented historical trends in contributions and unfunded liabilities. For Miscellaneous, the employer contribution rate has risen from about 9.3% of payroll 20 years ago to around 37% today, with only one year showing a slight decrease (FY 2023–24). Safety had a similar pattern, with consistently rising rates and one year of minor decrease.

Mr. Pryor introduced the concept of negative amortization. Using a chart of year-by-year changes in the unfunded liability, he showed that for many years, the required CalPERS payments toward the UAL were less than the annual interest on that liability, so the UAL grew despite the City paying the full billed amount.

For example, in FY 2011–12, the City’s UAL payment was about \$2.2 million less than the interest that accrued, meaning the unfunded balance increased by that amount.

At this point, Mayor Brownrigg asked for clarification to ensure the record reflected that the City itself did not “short-fund” the plans. He emphasized that the City had been paying exactly what CalPERS required, and the growth in UAL was due to underperforming investments and CalPERS’ own funding methods, not a policy choice by Burlingame. Mr. Pryor confirmed this, stating clearly that the City paid what it was billed and that the negative amortization was a consequence of CalPERS’ assumptions, methods, and investment results.

Councilmember Colson added that the large increases in liability and contributions also tie back to early-2000s benefit enhancements for safety, enhanced formulas, lower retirement age, market downturns, subsequent changes in amortization rules, and PEPPRA implementation around 2013.

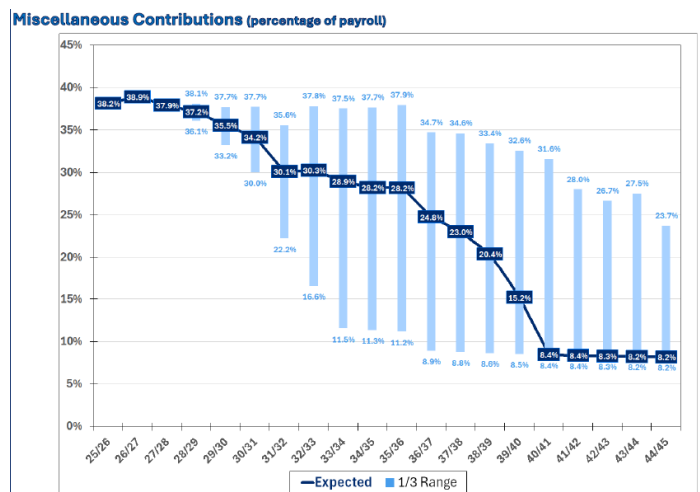
Mr. Pryor summarized the current Miscellaneous UAL (about \$52 million), based on CalPERS’ internal schedules. He explained that approximately 41% of the UAL stems from assumption changes, and a substantial amount is attributable to the 2013 switch from actuarial smoothing of assets to market value, which recognized previously hidden investment underperformance, and the rest comes from investment gains/losses and other experience deviations.

Mr. Pryor noted that when CalPERS converted to market value, the unfunded portion associated with that transition was amortized over a long period with escalating payments and initially did not cover interest, which is why that component grew so large before beginning to pay down.

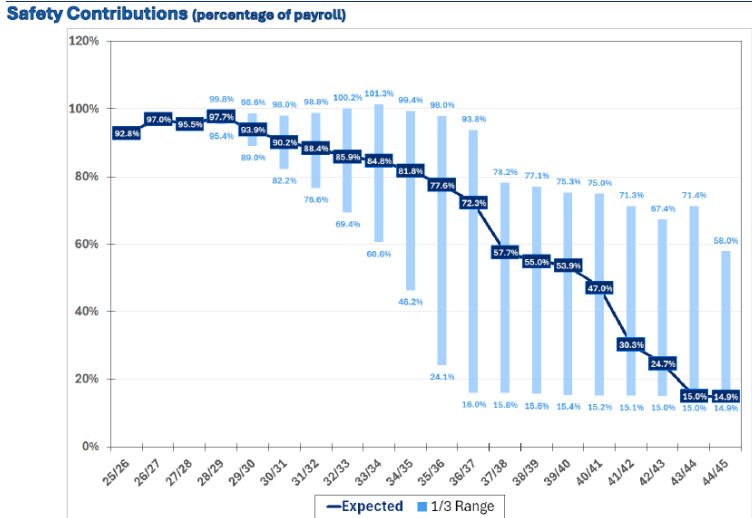
Mr. Pryor then explained that the normal cost is expected to decline over roughly 20 years as PEPPRA employees become a larger share of the workforce. The Miscellaneous normal cost is projected to fall from about 11.8% of payroll to approximately 8.2%. The Safety normal cost is projected to drop from about 19.7% to around 14.9%.

Mr. Pryor then showed stochastic projections of total employer contribution rates (normal cost plus UAL payments), incorporating investment return volatility consistent with the higher 12.7% standard deviation.

- For Miscellaneous, the median (expected) total contribution rate gradually declines over time, reflecting both increased PEPPRA participation and that current UAL payments are now sufficient to pay down principal.



- For Safety, the current total contribution is nearly 100% of payroll, meaning that for each dollar of salary, the City pays almost another dollar toward pensions (including debt service). Under median return assumptions, this rate is projected to decline, but under poor return scenarios, it could remain around the current high levels for an extended period.



Councilmember Colson highlighted the inherent uncertainty of these long-term models. She noted that the further out one looks, the wider the potential range of outcomes, especially given variables like investment performance, inflation, and longevity. Mr. Pryor agreed, emphasizing that the thick central line in the graphs is just the median of many simulations, while the bands around it reflect a wide range of plausible futures.

Mr. Pryor then discussed projected UAL balances over time. Under median assumptions, the Miscellaneous UAL is projected to be fully paid off in roughly 15 years, at which point the plan could become overfunded if CalPERS continues to require contributions at current levels and investment returns meet or exceed assumptions. The Safety UAL pays off on a longer timeline, close to 19 years, with the potential for overfunding thereafter under sustained good returns. He added that if the entire CalPERS system were to become significantly overfunded decades from now, it is possible the state could revisit laws to allow some offset of normal costs, but any such change would likely be system-wide, not specific to Burlingame.

Next, Mr. Pryor reviewed the City’s Section 115 Pension Trust, established in 2017. As of June 30, 2025, the trust balance was about \$26.6 million. For analysis, he allocated this as approximately \$16.8 million to the Safety plan, proportional to their UAL. By law, these funds can only be used to make additional payments to CalPERS or to reimburse the City for its CalPERS contributions. The 115 trust is invested under a strategic asset allocation with defined target ranges by asset class, and it is generally less aggressive and more transparent than CalPERS’ evolving TPA structure.

Mr. Pryor then analyzed scenarios for possible future use of the trust.

1. Scenario 1 – Everything goes as expected (median investment returns)
 - The City uses trust assets beginning in FY 2026–27 to “level” employer contribution rates over time.
 - For Miscellaneous:
 - Without trust withdrawals, the median total contribution rate would start high and decline over the 20-year period.

- By using the trust to keep the contribution at about 24.1% of payroll starting in FY 2026–27, the City could smooth contributions downward sooner.
 - However, this would draw down trust assets over time and would leave the overall funded ratio (CalPERS + trust) lower than if the trust were left intact. For example, about ten years out, the combined funded ratio might improve from about 87% to about 91% with withdrawals, whereas leaving the trust alone could allow it to rise nearer to 100%.
 - For Safety:
 - A similar pattern showed that contributions could be leveled around 68% of payroll with trust support, but again, at the cost of slower progress in overall funding.
2. Scenario 2 – Adverse investment experience (upper-range contribution scenarios)
- Mr. Pryor then modeled what would happen if CalPERS returns were persistently below assumptions, placing the City along the upper band of the projected contribution ranges.
- If the City still tried to hold contributions at the same “leveled” rates (24.1% Miscellaneous, 68% Safety) by drawing heavily on the trust:
 - The 115 trust would be substantially depleted within roughly six to eight years.
 - After depletion, required employer contributions would jump sharply (e.g., back into the high 30% range for Miscellaneous and near 100% for Safety).
 - The combined funded ratio would decline over the first decade under this scenario, whereas it would modestly improve if the trust were kept intact and used only as a long-term buffer.

Based on these scenarios, Mr. Pryor offered his actuarial perspective. From a funding health standpoint, it would be preferable to hold off on using the 115 trust to artificially lower near-term contributions, and instead allow the trust to remain as a reserve and support continued progress toward full funding. He acknowledged that budgetary and policy considerations also matter.

Councilmember Colson emphasized that pension obligations are first-order, non-discretionary commitments of the City. In a serious fiscal downturn, she noted, the City cannot cut pension payments; instead, any needed reductions would likely have to come from capital and infrastructure spending, and active payroll and staffing.

Councilmember Stevenson agreed and added that the 115 trust functions as a valuable safety net, especially in the event of another major shock such as a pandemic-driven downturn. He cautioned that while it may be tempting to use the trust to reduce contribution rates in the short term, it is critical to recognize the trade-off between near-term relief and long-term resilience.

Mayor Brownrigg reiterated that the City has always fully met its CalPERS obligations, and the growth in UAL is largely the result of system-wide investment and policy decisions at CalPERS and at the state level. He also emphasized that future decisions about adding to the 115 trust, retaining it as a long-term reserve, or using it strategically to smooth contributions, should be considered in the context of upcoming budget

sessions and the impact on current employees' compensation and City services. Mayor Brownrigg thanked Mr. Pryor and Director Yu-Scott for the analysis.

Mayor Brownrigg opened the item up for public comment. No one spoke.

8. PUBLIC COMMENTS

There were none.

9. APPROVAL OF CONSENT CALENDAR

Mayor Brownrigg asked the Councilmembers and the public if they wished to remove any item from the Consent Calendar. Councilmember Colson pulled item 9h.

Councilmember Stevenson made a motion to adopt the following items from the Consent Calendar: 9a, 9b, 9c, 9d, 9e, 9f, 9g, 9i, 9j, 9k, 9l, and 9m; seconded by Councilmember Thayer. The motion passed unanimously by roll call vote, 5-0.

a. APPROVAL OF CITY COUNCIL MEETING MINUTES FOR THE FEBRUARY 17, 2026 CLOSED SESSION

City Clerk Hassel-Shearer requested Council approve the City Council Meeting Minutes for the February 17, 2026 Closed Session.

b. APPROVAL OF CITY COUNCIL MEETING MINUTES FOR THE FEBRUARY 17, 2026 CITY COUNCIL MEETING

City Clerk Hassel-Shearer requested Council approve the City Council Meeting Minutes for the February 17, 2026 City Council Meeting.

c. APPROVAL OF CITY COUNCIL MEETING MINUTES FOR THE FEBRUARY 18, 2026 GOAL SETTING SESSION

City Clerk Hassel-Shearer requested Council approve the City Council Meeting Minutes for the February 18, 2026 Goal Setting Session.

d. APPROVAL OF CITY COUNCIL MEETING MINUTES FOR THE MARCH 2, 2026 CLOSED SESSION

City Clerk Hassel-Shearer requested Council approve the City Council Meeting Minutes for the March 2, 2026 Closed Session.

e. APPROVAL OF CITY COUNCIL MEETING MINUTES FOR THE MARCH 2, 2026 REGULAR CITY COUNCIL MEETING

City Clerk Hassel-Shearer requested Council approve the City Council Meeting Minutes for the March 2, 2026 Regular City Council Meeting.

- f. **ADOPTION OF A RESOLUTION AUTHORIZING AMENDMENT NO. 3 TO THE JANITORIAL SERVICES AGREEMENT WITH KARLA'S JANITORIAL AND SUPPLIERS, LLC, TO EXTEND THE JANITORIAL SERVICES CONTRACT FOR AN ADDITIONAL PERIOD OF THREE MONTHS, AND INCREASING THE CONTRACT AMOUNT BY \$139,117.50, FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$1,915,879.50**

DPW Lamm requested Council adopt Resolution Number 025-2026.

- g. **ADOPTION OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH THIRKETTLE CORPORATION, DBA AQUA-METRIC SALES COMPANY, IN THE AMOUNT OF \$185,418.71 FOR THE ADVANCED METER INFRASTRUCTURE UPGRADE AND CUSTOMER ENGAGEMENT, CITY PROJECT NO. 86700, INCREASING THE TOTAL CONTRACT AMOUNT TO \$483,265.76**

DPW Lamm requested Council adopt Resolution Number 026-2026.

- h. **ADOPTION OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A \$105,408 PROFESSIONAL SERVICE AGREEMENT WITH DOCUSIGN FOR THE PERIOD MARCH 30, 2026, THROUGH MARCH 29, 2029, FOR THE ELECTRONIC SIGNING OF DOCUMENTS**

Councilmember Colson explained that she pulled the item to highlight its importance and request a brief explanation from staff.

City Clerk's Office Administrative Assistant Huang stated that the City had been using DocuSign for several years to execute contracts more efficiently, saving staff time and simplifying workflows. She reported that DocuSign also helps the City align with its environmental and sustainability goals.

Mayor Brownrigg asked how DocuSign determined the City's cost.

City Clerk's Office Administrative Assistant Isabelle Huang clarified that pricing is based on the number of user licenses.

Vice Mayor Pappajohn asked whether there had been any fraud or security issues with DocuSign.

City Clerk's Office Administrative Assistant Huang responded that she was not aware of any fraud incidents involving Burlingame's DocuSign account and noted that each DocuSign transaction includes an audit summary.

Councilmember Stevenson shared that he has used Docusign for nearly a decade in private business and stated that he has not encountered fraud or misrepresentation there either.

Mayor Brownrigg opened the item up for public comment.

No one spoke.

Mayor Brownrigg closed public comment.

Councilmember Colson made a motion to adopt Resolution Number 027-2026; seconded by Vice Mayor Pappajohn. The motion passed unanimously by roll call vote, 5-0.

- i. **ADOPTION OF A RESOLUTION AUTHORIZING A \$150,000 PRICING AGREEMENT WITH INGRAM LIBRARY SERVICES FOR THE PURCHASE OF LIBRARY MATERIALS**

City Librarian McCulley requested Council adopt Resolution Number 028-2026.

- j. **ADOPTION OF A RESOLUTION AWARDED A \$799,057.86 CONSTRUCTION CONTRACT TO MEDICAL FACILITIES SOLUTIONS LLC FOR THE POLICE DEPARTMENT ADA & SALLY PORT IMPROVEMENTS – PHASE 1, CITY PROJECT NO. 86870, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONSTRUCTION CONTRACT**

DPW Lamm requested Council adopt Resolution Number 029-2026.

- k. **ADOPTION OF A RESOLUTION AUTHORIZING THE MAYOR TO SEND A LETTER OF SUPPORT REGARDING AB 2517, FIRE HAZARD SEVERITY ZONES**

City Manager Goldman requested Council adopt Resolution Number 030-2026.

- l. **ADOPTION OF A RESOLUTION AUTHORIZING THE MAYOR TO SEND A LETTER TO THE NATIONAL TRUST FOR THE HISTORIC PRESERVATION IN SUPPORT OF THE 220 PARK ROAD AND TOWN SQUARE PRESERVATION AWARD APPLICATION**

City Manager Goldman requested Council adopt Resolution Number 031-2026.

- m. **ADOPTION OF A RESOLUTION AUTHORIZING THE MAYOR TO SEND LETTERS TO THE STATE LEGISLATURE REGARDING THREE PENINSULA CLEAN ENERGY SUPPORTED BILLS**

City Manager Goldman requested Council adopt Resolution Number 032-2026.

10. **PUBLIC HEARINGS**

a. **ADOPTION OF A RESOLUTION REVIEWING THE DEVELOPMENT AGREEMENT FOR THE 1200-1340 OLD BAYSHORE HIGHWAY (DIVCO) PROJECT FOR JANUARY 1, 2025 THROUGH DECEMBER 31, 2025, AND CONFIRMING DEVELOPER COMPLIANCE**

CDD Zayer explained that the City must annually review the Development Agreement (DA) for the Divco Peninsula Crossing project at 1200 to 1340 Old Bayshore Highway. The DA authorizes construction of three 11-story office/R&D buildings and two parking garages. Since approval of the DA, Divco has worked with multiple regulatory agencies to secure required permits after City entitlements. Divco is still seeking final approvals from some agencies, but staff can conclude that Divco is acting in good faith and is in compliance with the DA.

Divco representative Seth Bland thanked the Council and confirmed that Divco remains fully committed to the Peninsula Crossing project. He confirmed the provisional approvals from multiple regulatory agencies and indicated that Divco is continuing to work through detailed issues with BCDC and Caltrans. Mr. Bland stated that Divco will need a letter from the US Coast Guard because Easton Creek may be considered a navigable waterway, and Divco is building a bridge over the creek. Mr. Bland expressed confidence that, with continued City staff support, Divco would obtain the remaining approvals. Mr. Bland reiterated that the project would bring major bayfront improvements, Bay Trail connectivity, and economic and public realm benefits.

Councilmember Stevenson affirmed that a lot of work went into negotiating the DA from both sides, and that he believes it is a good agreement for both parties. He expressed satisfaction that regulatory progress is being made and supported staff's conclusion that Divco is in good faith compliance.

Councilmember Thayer stated that she reviewed last year's annual review form, saw the same agencies identified, and was pleased that most major agencies have now issued approvals.

Mayor Brownrigg called the project "transformational" for Burlingame on multiple fronts. He stated that the City would be willing to advocate directly with Caltrans to help advance the project and suggested that the City could also help connect with local Coast Guard contacts. Mayor Brownrigg thanked Divco for its persistence through a complex permitting environment.

Mayor Brownrigg opened the public hearing.

No one spoke.

Councilmember Stevenson made a motion to adopt Resolution Number 033-2026; seconded by Councilmember Colson. The motion passed unanimously by roll call vote, 5-0.

11. **STAFF REPORTS AND COMMUNICATIONS**

a. **SIXTH CYCLE HOUSING ELEMENT (2023-2031) ANNUAL PROGRESS REPORT**

CDD Zayer presented the annual progress report (APR) for the Sixth Cycle Housing Element, covering activity to date in the 2023 to 2031 cycle. She noted that the City must submit an APR to HCD each year detailing housing production, entitlements, building permits, and progress on Housing Element programs. CDD Zayer noted that reporting requirements are expanding each year.

CDD Zayer highlighted production numbers for 2025:

- 92 units received planning approval
- 74 units received building permits
- 465 units were completed and received certificates of occupancy

Mayor Brownrigg praised the City's substantial progress on housing, highlighting the achievement of 40% of its Regional Housing Needs Allocation (RHNA) early in the cycle. He observed that Burlingame was "getting the job done" prior to the escalation of recent state mandates, making it frustrating that the City is still subjected to one-size-fits-all state laws. Mayor Brownrigg noted that Area Median Income (AMI) is rising quickly due to high-income owners, raising concerns about affordability.

Mayor Brownrigg expressed interest in requiring inclusionary developers to cap rent increases by something like CPI rather than AMI in order to maintain long-term affordability.

Councilmember Stevenson agreed and stated that the effective outcome of AMI-linked rent escalation can feel like a "teaser rate."

Councilmember Colson added that affordable housing developers are generally not subject to local rent control in the same way as market-rate landlords, and rents can escalate more than many tenants' incomes. She raised a staffing capacity point, noting that Economic Development and Housing Specialist Joe Sanfillipo currently handles both economic development and housing, which is a large workload. Councilmember Colson suggested the City explore whether Housing Linkage Fees or revenues might support a dedicated housing staff position.

Mayor Brownrigg opened the item up for public comment.

No one spoke.

Mayor Brownrigg closed public comment.

b. CONSIDERATION OF CALIFORNIA SENATE BILL 79 (SB 79), THE ABUNDANT AND AFFORDABLE HOMES NEAR TRANSIT ACT

CDD Zayer introduced SB 79 and explained that it requires jurisdictions with transit stations to allow higher-density housing near those stations under specified standards. SB 79 applies to parcels within ¼ mile of a qualifying transit station that are zoned as residential, commercial, or mixed-use. In Burlingame, this covers

the Burlingame Caltrain Station and the Millbrae BART/Caltrain Station area. She noted that the Broadway Caltrain station is excluded, as it has weekend-only service.

CDD Zayer stated that the default SB 79 standards are as follows:

- Within 200 feet of the station:
 - Height: 95 feet.
 - Density: 160 dwelling units per acre.
 - Floor Area Ratio (FAR): 4.5.
- Within ¼ mile of the station (outside of the 200-foot core):
 - Height: 75 feet.
 - Density: 120 dwelling units per acre.
 - FAR: 3.5.

CDD Zayer noted that SB 79 allows projects to layer other state pro-housing statutes, but they cannot seek additional height increases under SB 79 beyond its specified limits.

CDD Zayer described the City's analysis steps, noting that the existing zoning does not meet or exceed SB 79, particularly in downtown. She noted that HCD told staff the City must adopt explicit densities, and that Burlingame's downtown, which has no explicit density or FAR numbers, would not be accepted as compliant. CDD Zayer also mentioned that the City cannot delay implementation as SB 79 becomes operative July 1, 2026. If the City takes no action, SB 79's default standards directly apply in the 1/4-mile Transit Oriented Development (TOD) zones.

CDD Zayer explained that SB 79 allows a jurisdiction to adopt an "Alternative Plan" instead of using the default SB 79 zoning. An Alternative Plan is allowed if:

- Total unit and FAR capacity within the TODs is at least equal to SB 79's default.
- No parcel's max density is increased by more than 200%.
- No parcel's max density is reduced by more than 50%.
- Total TOD capacity (units and FAR) is not reduced by more than 50% nor increased by more than 200%.

CDD Zayer stated that staff prepared rough, back-of-the-envelope capacity calculations. She reported that under default SB 79 standards, the development capacity within the two ¼-mile TOD zones is approximately 13,774 units. She further noted that existing residential units within a ½-mile radius of the stations can be counted toward this capacity, and staff's preliminary estimate is that approximately 8,800 existing units could be credited, leaving several thousand units of additional capacity that must still be accommodated under an Alternative Plan.

CDD Zayer described how SB 79 applies in the Millbrae BART/Caltrain TOD affecting North Rollins Road. She explained that much of this area is already zoned NBMU (North Burlingame Mixed Use) or RRMU (Rollins Road Mixed Use), with existing standards such as 80 feet in height and up to 140 dwelling units per acre in MBMU. She noted that staff's concept for an Alternative Plan would keep heights at 80 feet and set the

maximum density up to 240 dwelling units per acre (the 200% limit above 120 du/acre) in appropriate locations near the Millbrae station, with new FAR standards consistent with SB 79. This would allow the North Rollins/Millbrae area to “carry” more of the required capacity, providing flexibility to reduce densities in more sensitive areas downtown.

Councilmember Thayer asked if the City could go out to a ½-mile radius in the Rollins Road area to pick up more units and ease pressure on downtown.

CDD Zayer confirmed that SB 79 allows going out to ½-mile for the Alternative Plan, but if the City extends beyond ¼-mile, it must allow housing in those extended industrial parcels.

CDD Zayer then presented a conceptual Alternative Plan for the Burlingame Station ¼-mile TOD. She explained that staff envisions a TOD overlay divided into three subareas, with tiered development standards:

- Subarea A (closest to the station, generally within the 200-foot core):
 - Height: 95 feet.
 - Density: 160 dwelling units per acre.
 - FAR: 4.5.

- Subarea B (intermediate ring):
 - Height: 75 feet.
 - Density: approximately 80 dwelling units per acre.
 - FAR: 3.5.

- Subarea C (outer ring, including some single-family blocks):
 - Height: 75 feet.
 - Density: 60 dwelling units per acre (the minimum allowed under SB 79 for an Alternative Plan).
 - FAR: 3.5.

She emphasized that under SB 79, an Alternative Plan cannot reduce the SB 79-mandated heights or FAR; the only lever available to the City is to shift density (dwelling units per acre) within the required bounds.

CDD Zayer noted that the ¼-mile map around Burlingame Station includes Washington Park and Burlingame High School, but these parcels are currently zoned Parks and Recreation and Public/Institutional, not residential, commercial, or mixed-use, so they are not subject to SB 79 by default. She explained, however, that for purposes of an Alternative Plan, the City could choose to include these large public parcels within the TOD overlay subareas so that they would carry theoretical development capacity (in terms of allowable units and FAR) in the calculations. She stressed that this would not, by itself, change ownership or force redevelopment of these sites but would allow the City to assign higher

theoretical capacity there in order to reduce allowable densities on smaller, more sensitive residential parcels elsewhere in the TOD.

CDD Zayer reiterated that if Washington Park and the high school are not included in the Alternative Plan capacity accounting, there may be no practical way to meet the SB 79 capacity tests while also stepping down densities at the edges of the TOD. In that case, pursuing an Alternative Plan would likely not be viable. She also clarified that while SB 79 allows the City to count existing units within ½ mile toward capacity, staff does not recommend extending the SB 79 height/density standards themselves beyond the ¼-mile radius due to potential impacts on industrial areas and local employment.

CDD Zayer noted that adopting an Alternative Plan will require multiple legislative actions, including amendments to the Downtown Specific Plan, the General Plan, and the Zoning Ordinance; creation of new TOD overlay zones; and detailed parcel-by-parcel capacity analysis. She advised that all of this work must be completed, adopted by the City Council, and submitted to HCD for approval before SB 79 becomes operative on July 1, 2026. She cautioned that this will be a significant workload for Community Development and will likely require reprioritizing other planning projects during this period.

Councilmember Thayer observed that the Alternative Plan seems designed primarily to protect R-1 neighborhoods in the outer areas of the ¼-mile, and to shift some density to Washington Park, Burlingame High, Subarea A, and North Rollins Road.

Mayor Brownrigg opened the item up for public comment.

Jennifer Pfaff, a Planning Commissioner and resident, spoke in her personal capacity to state that Burlingame had “done everything right” on planning and housing and that she felt SB 79 would override years of thoughtful local planning. Pfaff expressed support for focusing the SB 79 capacity in the Rollins Road and Millbrae area and expressed opposition to the idea that downtown could be re-mapped under SB 79’s densities without respect for the prior plan.

Howard Wettan, a Parks & Recreation Commissioner, opposed any notion of replacing Washington Park with housing, or redeveloping Burlingame High School for housing. He stated that he understood the planning logic behind including those parcels on paper as high-capacity sites but urged the City to leverage its existing Rollins Road and General Plan work to place as much of the required SB 79 capacity there as possible.

Mayor Brownrigg closed public comment.

Councilmember Colson stated that SB 79 is another example of state overreach and reiterated that Burlingame has done its share to meet housing goals. She emphasized that the inclusion of Washington Park and Burlingame High School as high-capacity sites is largely symbolic and that there is no realistic prospect of the land being redeveloped for housing.

Councilmember Stevenson emphasized that extending the Alternative Plan to ½ mile around stations would force housing into industrial zones and risk significant land-use conflict. He stated that he preferred to keep the Alternative Plan within ¼ mile at both stations, supplemented by maximizing density near Millbrae and utilizing the minimum allowable density downtown.

Councilmember Thayer highlighted that the Alternative Plan appeared consistent with transit-oriented design principles, with the highest density closest to rail.

Mayor Brownrigg emphasized that he did not care about public perception if it is the best way to protect neighborhoods and comply with the law. He supported proceeding with an Alternative Plan.

Councilmember Colson noted that Burlingame’s state legislators voted for or did not oppose SB 79 and emphasized that residents who are angered by SB 79 should direct their energy toward Sacramento, not just City Hall.

CDD Zayer stressed that crafting a legally compliant Alternative Plan by July 1, 2026, is a “tremendous lift” for Community Development and will require diverting staff time from other planning initiatives and current projects. She requested the Council’s understanding that other priorities may need to slow down to accommodate SB 79 work.

City Manager Goldman indicated that the City may need to reprioritize planning work and possibly augment resources through the budget process if necessary.

12. COUNCIL COMMITTEE AND ACTIVITIES REPORTS AND ANNOUNCEMENTS

Councilmembers reported on their various committees and activities.

13. FUTURE AGENDA ITEMS

There were none.

14. ACKNOWLEDGMENTS

The agendas, packets, and meeting minutes for the Planning Commission, Traffic, Safety & Parking Commission, Beautification Commission, Parks & Recreation Commission, and Library Board of Trustees are available online at www.burlingame.org.

15. ADJOURNMENT

Mayor Brownrigg adjourned the meeting at 9:29 p.m. in memory of Frank Vasquez.

Respectfully submitted,

Isabelle Huang
Administrative Assistant