CITY OF IRWINDALE

5050 N. IRWINDALE AVE., IRWINDALE CA 91706 • PHONE: (626) 430-2200 • FACSIMILE: 962-4209

H. MANUEL ORTIZ
MAYOR

LARRY G. BURROLA
MAYOR PRO TEM

ALBERT F. AMBRIZ
COUNCILMEMBER

MARK A. BRECEDA
COUNCILMEMBER

MANUEL R. GARCIA
COUNCILMEMBER

NOTICE AND AGENDA FOR THE SPECIAL AND REGULAR MEETING OF THE

CITY COUNCIL

SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY

HOUSING AUTHORITY

JUNE 23, 2021

SPECIAL MEETING – 5:30 P.M. - CLOSED SESSION
REGULAR MEETING - 6:30 P.M. - OPEN SESSION

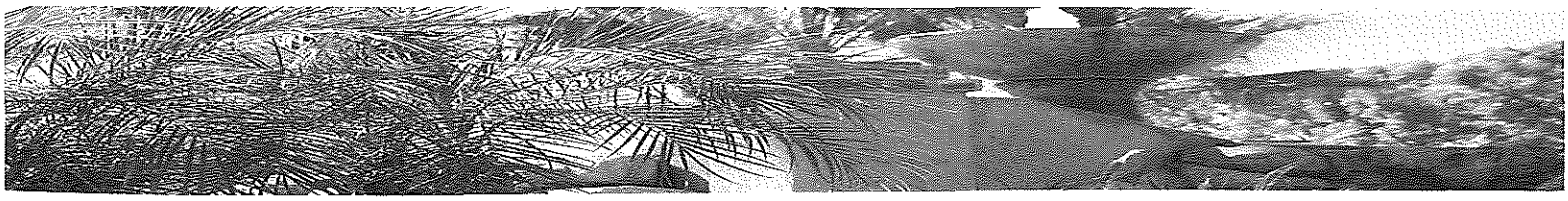
IRWINDALE CITY COUNCIL CHAMBER

CLOSED SESSION / OPEN SESSION – CITY COUNCIL CHAMBER
(Closed to the Public)
Pursuant to Executive Order N-29-20

The Governor has declared a State of Emergency to exist in California as a result of the threat of COVID-19 (aka the "Coronavirus"). The Governor also issued Executive Order N-25-20, which directs Californians to follow public health directives including canceling large gatherings. The Executive Order also allows local legislative bodies to hold meetings via conference calls while still meeting state transparency requirements.

The public's health and well-being are the top priority for the City, and you are urged to take all appropriate health safety precautions. To facilitate this process, the meeting and opportunities to participate will also be available through the following options:

https://us02web.zoom.us/j/87104592389



Spontaneous Communications: The public is encouraged to address the City Council on any matter listed on the agenda or on any other matter within its jurisdiction. The City Council will hear public comments on items listed on the agenda during discussion of the matter and prior to a vote. The City Council will hear public comments on matters not listed on the agenda during the Spontaneous Communications period.

Pursuant to provisions of the **Brown Act**, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a City Council meeting or other services offered by this City, please contact City Hall at (626) 430-2200. Assisted listening devices are available at this meeting. Ask the Chief Deputy City Clerk if you desire to use this device. Upon request, the agenda and documents in the agenda packet can be made available in appropriate alternative formats to persons with disabilities. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Note: Staff reports are available for inspection at the office of the Chief Deputy City Clerk, City Hall, 5050 N. Irwindale Avenue, during regular business hours (8:00 a.m. to 6:00 p.m., Monday through Thursday).

Code of Ethics

As City of Irwindale Council Members, our fundamental duty is to serve the public good. We are committed to the principle of an efficient and professional local government. We will be exemplary in obeying the letter and spirit of Local, State and Federal laws and City policies affecting the operation of the government and in our private life. We will be independent and impartial in our judgment and actions.

We will work for the common good of the City of Irwindale community and not for any private or personal interest. We will endeavor to treat all people with respect and civility. We will commit to observe the highest standards of morality and integrity, and to faithfully discharge the duties of our office regardless of personal consideration. We shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of others.

We will inform ourselves on public issues, listen attentively to public discussions before the body, and focus on the business at hand. We will base our decisions on the merit and substance of that business. We will be fair and equitable in all actions, claims or transactions. We shall not use our official position to influence government decisions in which we have a financial interest or where we have a personal relationship that could present a conflict of interest, or create a perception of a conflict of interest.

We shall not take advantage of services or opportunities for personal gain by virtue of our public office that are not available to the public in general. We shall refrain from accepting gifts, favors or promises of future benefit that might compromise our independence of judgment or action or give the appearance of being compromised.

We will behave in a manner that does not bring discredit or embarrassment to the City of Irwindale. We will be honest in thought and deed in both our personal and official lives.

Ultimate responsibility for complying with this Code of Ethics rests with the individual elected official. In addition to any other penalty as provided by law, violation of this Code of Ethics may be used as a basis for disciplinary action or censure of a Council Member.

These things we hereby pledge to do in the interest and purposes for which our government has been established.

IRWINDALE CITY COUNCIL

SPECIAL MEETING - CLOSED SESSION – 5:30 P.M.

A. CALL TO ORDER

B. ROLL CALL: **Councilmembers: Albert F. Ambriz, Mark A. Breceda, Manuel R. Garcia; Mayor Pro Tem Larry G. Burrola; Mayor H. Manuel Ortiz**

SPONTANEOUS COMMUNICATIONS

Spontaneous communications are limited to the special meeting agenda items only.

C. RECESS TO CLOSED SESSION

1. **CONFERENCE WITH LEGAL COUNSEL – EXPOSURE TO LITIGATION (CITY COUNCIL)**

   Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2), (e)(1)

   Number of potential cases: Two (2)

   A point has been reached where, in the opinion of the City Council and on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the City, but the City believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed.

2. **CONFERENCE WITH LEGAL COUNSEL – EXPOSURE TO LITIGATION (HOUSING AUTHORITY BOARD)**

   Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2), (e)(1)

   Number of potential cases: Two (1)

   A point has been reached where, in the opinion of the City Council and on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the Housing Authority, but the Housing Authority believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed.

D. RECONVENE IN OPEN SESSION

E. REPORT FROM CLOSED SESSION

F. ADJOURNMENT

OPEN SESSION – 6:30 P.M.

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. INVOCATION

D. ROLL CALL: Councilmembers: Albert F. Ambriz, Mark A. Breceda, Manuel R. Garcia; Mayor Pro Tem Larry G. Burrola; Mayor H. Manuel Ortiz

E. CHANGES TO THE AGENDA

F. COUNCIL MEMBER TRAVEL REPORTS

G. COUNCILMEMBER COMMENTS

H. INTRODUCTION OF NEW EMPLOYEES/PROMOTIONS

I. PROCLAMATIONS / PRESENTATIONS / COMMENDATIONS

1. Chamber of Commerce Business of the Month – Rogers & Associates
2. Proclamation proclaiming Parks & Recreation Month
3. Presentation on the San Gabriel Valley Council of Governments Regional Housing Trust

SPONTANEOUS COMMUNICATIONS

This is the time set aside for members of the audience to speak on items not on this agenda. State law prohibits any Council discussion or action on such communications unless 1) the Council by majority vote finds that a catastrophe or emergency exists; or 2) the Council by at least four votes finds that the matter (and need for action thereon) arose within the last five days. Since the Council cannot (except as stated) participate it is requested that all such communications be made in writing so as to be included on the next agenda for full discussion and action. If a member of the audience feels he or she must proceed tonight, then each speaker will be limited to 3 minutes unless such time limits are extended.

1. CONSENT CALENDAR

The Consent Calendar contains matters of routine business and is to be approved with one motion unless a member of the City Council requests separate action on a specific item. At this time, members of the audience may ask to be heard regarding an item on the Consent Calendar.

A. Minutes

Recommendation: Approve the following minutes:

1. Special meeting held May 26, 2021
2. Regular meeting held May 26, 2021
3. Special meeting held June 9, 2021
4. Regular meeting held June 9, 2021

Department: Administration / City Clerk

B. Warrants/Demands/Payroll

Recommendation: Approve

Department: Finance

C. Cancellation of November 24, 2021 and December 22, 2201 City Council Meetings

Recommendation: Approve cancellation of the regular City Council (and its agencies) meetings scheduled for November 24, 2021 and December 22, 2021.

Department: Administration

D. Professional Contract Services Agreement with Environmental Science Associates (ESA) for the preparation of an updated General Plan, Housing Element, Safety Element, and development of an Environmental Justice Element, and the appropriate Environmental Review document in compliance with State law

Recommendation: Approve a contract in the amount of $642,332 with Environmental Science Associates (ESA) for the preparation of an updated General Plan, Housing Element, Safety Element, and development of an Environmental Justice Element, and the appropriate Environmental Review document in compliance with State law.

Department: Community Development

E. Irwindale Business Center Sewer and Street Light Maintenance Assessment Districts Engineer's Report and Notice of Intent to Levy

Recommendation: (1) Adopt Resolution No. 2021-45-3257 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING AN ENGINEER'S REPORT FOR FISCAL YEAR 2021-2022 FOR MAINTENANCE, OPERATION, AND CAPITAL REPLACEMENT OF THE CITY'S SANITATION AND SEWERAGE SYSTEMS LOCATED WITHIN THE

IRWINDALE BUSINESS CENTER; DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN THE SEWER MAINTENANCE DISTRICT FOR FISCAL YEAR 2021-2022; AND GIVING NOTICE OF A DAY AND TIME FOR A VIRTUAL PUBLIC HEARING ON THE LEVY OF THE PROPOSED ASSESSMENTS"; (2) **Adopt Resolution No. 2021-46-3258** entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING AN ENGINEER'S REPORT FOR FISCAL YEAR 2021-2022 FOR MAINTENANCE OF STREET LIGHTING LOCATED WITHIN THE STREET LIGHTING MAINTENANCE DISTRICT (THE IRWINDALE BUSINESS CENTER); DECLARING ITS INTENTION TO LEVY ASSESSMENTS WITHIN THE STREET LIGHTING MAINTENANCE DISTRICT FOR THE FISCAL YEAR 2021-2022; AND GIVING NOTICE OF A DAY AND TIME FOR A VIRTUAL PUBLIC HEARING ON THE LEVY OF THE PROPOSED ASSESSMENTS; (3) Set the Public Hearing for July 14, 2021 to consider setting assessments for the two above-mentioned Assessment Districts.

Department: Finance

F. Second Amendment to the Services Agreement and Third Amendment to the Lease Agreement with the Irwindale Chamber of Commerce Extending Existing Agreements for 90 Days

Recommendation: (1) Approve the Second Amendment to the Services Agreement between the City of Irwindale and the Irwindale Chamber of Commerce; and (2) Approve the Third Amendment to the Lease Agreement between the City of Irwindale and the Irwindale Chamber of Commerce.

Department: Administration

G. First Amendment to Agreement for As-needed Construction Inspection Services for a Water Pipeline Extension Project

Recommendation: Approve and authorize the City Manager to execute a First Amendment to an agreement with FCG Consultants increasing the contract amount by $100,000 for a total of $270,000 for as-needed construction inspection services for a water pipeline extension project.

Department: Public Services

H. Resolution Approving the Donation to the Irwindale Educational Foundation

Recommendation: **Adopt Resolution No. 2021-58-3270** entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE FINDING THAT THE PUBLIC PURPOSE WOULD BE SERVED BY THE DONATION TO THE IRWINDALE EDUCATIONAL FOUNDATION OF THE USE OF A BILLBOARD DISPLAY IN THE CITY OF IRWINDALE AND APPROVING THE DONATION THERETO" reading by title only and waiving further reading thereof.

2. NEW BUSINESS

At this time, members of the audience may ask to be heard regarding an item on New Business.

A. Update on the Current ICF Funding Expenditures for FY 2020-21

Recommendation: Receive and file the report updating the City Council on the current ICF funding expenditures for FY 2020-21.

Department: Finance

B. Irwindale Recreation Department

Recommendation: (1) Receive and file the information provided for an evaluation of the Recreation Department, including staffing, job responsibilities, and expenditures within the Recreation, and the Aquatics division, including pool maintenance, operations and safety protocols; (2) adopt Resolution No. 2021-56-3268, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING THE REORGANIZATION OF THE RECREATION DEPARTMENT, ADDITIONAL POSITIONS, AND APPROVING THE APPROPRIATION OF FUNDING FOR THESE NEW POSITIONS."

Department: Public Services / Recreation

C. Appointment of a Planning Commissioner to Fill an Unscheduled Vacancy for a term expiring December 31, 2022

Recommendation: **Adopt Resolution No. 2021-55-3267** entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPOINTING A MEMBER TO THE PLANNING COMMISSION OF THE CITY OF IRWINDALE TO FILL AN UNSCHEDULED VACANCY" reading by title only and waiving further reading thereof.

Department: Administration / City Clerk

D. North San Gabriel Valley River Working Group Update

Recommendation: (1) Receive an update regarding the North San Gabriel Valley Working Group; and (2) Discuss and provide direction regarding a homeless shelter, including site identification.

Department: Administration

E. A Resolution to Extend the Existence of a Local Emergency Regarding COVID-19 Pandemic

Recommendation: **Adopt Resolution No. 2021-57-3269** entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE, CALIFORNIA, EXTENDING THE EXISTENCE OF A LOCAL EMERGENCY RELATED TO COVID-19 PANDEMIC WITHIN THE CITY OF IRWINDALE PURSUANT TO IRWINDALE MUNICIPAL CODE CHAPTER 2.44".

Department: Administration

F. Adoption of the Fiscal Year 2021-22 Budget

Recommendation: **Adopt Ordinance No. 757**, entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRWINDALE ADOPTING THE BUDGET FOR FISCAL YEAR 2021-2022" reading by title only and waiving further reading thereof.

Department: Finance

3. PUBLIC HEARINGS

At this time, members of the audience may ask to be heard regarding an item on Public Hearings.

4. CITY MANAGER'S REPORT

5. AGENDA ITEMS REQUESTED BY COUNCIL MEMBERS

6. ADJOURN

SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY

SPONTANEOUS COMMUNICATIONS

This is the time set aside for members of the audience to speak on items not on this agenda. Spontaneous Communications for the Successor Agency are subject to the same State prohibitions and City guidelines as cited on the City Council agenda.

1. CONSENT CALENDAR

A. Minutes

Recommendation: Approve the following minutes:

1. Regular meeting held May 26, 2021
2. Regular meeting held June 9, 2021

Department: Administration / City Clerk

2. NEW BUSINESS

At this time, members of the audience may ask to be heard regarding an item on New Business.

3. PUBLIC HEARINGS

At this time, members of the audience may ask to be heard regarding an item on Public Hearings.

4. ADJOURN

HOUSING AUTHORITY

SPONTANEOUS COMMUNICATIONS

This is the time set aside for members of the audience to speak on items not on this agenda. Spontaneous Communications for the Housing Authority are subject to the same State prohibitions and City guidelines as cited on the City Council agenda.

1. CONSENT CALENDAR

A. Minutes

Recommendation: Approve the following minutes:

1. Regular meeting held May 26, 2021
2. Regular meeting held June 9, 2021

Department: Administration / City Clerk

2. NEW BUSINESS

At this time, members of the audience may ask to be heard regarding an item on New Business.

A. Equity Sharing Policy

Recommendation: Approve Equity Sharing Policy for Substantial Rehabilitation and First Time Homebuyer programs.

Department: Authority Counsel

B. Possible Removal of Moderate Income Units from Las Casitas Senior Housing Program

Recommendation: Provide direction to staff regarding possible removal of moderate income units from Las Casitas Senior Housing Program.

Department: Authority Counsel

3. PUBLIC HEARINGS

At this time, members of the audience may ask to be heard regarding an item on Public Hearings.

4. ADJOURN

AFFIDAVIT OF POSTING

I, Laura M. Nieto, Chief Deputy City Clerk, certify that I caused the agenda for the regular meeting of the City Council, Irwindale Successor Agency to the Irwindale Community Redevelopment Agency, and Housing Authority, to be held on June 23, 2021, be posted at the City Hall, Library, and Post Office on June 17, 2021.

Laura M. Nieto, MMC

Laura M. Nieto, MMC
Chief Deputy City Clerk

CC Item 1A1

IRWINDALE CITY COUNCIL CHAMBERS
5050 N. IRWINDALE AVENUE
IRWINDALE, CALIFORNIA 91706

MAY 26, 2021
WEDNESDAY
5:30 P.M.

The Irwindale **CITY COUNCIL** met in special session at the above time and place.

ROLL CALL:

Present: Councilmembers Albert F. Ambriz, Mark A. Breceda, Manuel R. Garcia; Mayor Pro Tem Larry G. Burrola; Mayor H. Manuel Ortiz

Present: William Tam, City Manager; Adrian Guerra, City Attorney; and Armando Hegdahl, Acting Deputy City Clerk

SPONTANEOUS COMMUNICATIONS

There were no speakers.

RECESS TO CLOSED SESSION

At 5:30 p.m., the City Council / Housing Authority met in Closed Session to discuss the following:

Public Employee Performance Evaluation
Pursuant to California Government Code Section 54957

Title: City Manager

ACTION: Discussed; no reportable action taken.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 6:31 p.m.

Laura M. Nieto, MMC
Chief Deputy City Clerk

CC Item 1A2

IRWINDALE CITY COUNCIL CHAMBERS
5050 N. IRWINDALE AVENUE
IRWINDALE, CALIFORNIA 91706

MAY 26, 2021
WEDNESDAY
6:30 P.M.

The Irwindale **CITY COUNCIL** met in regular session, beginning at the above time and place.

ROLL CALL:

Present: Councilmembers Albert F. Ambriz, Mark A. Breceda, Manuel R. Garcia; Mayor Pro Tem Larry G. Burrola; Mayor H. Manuel Ortiz

Present: William Tam, City Manager; Theresa Olivares, Assistant City Manager; Adrian Guerra, City Attorney; Ty Henshaw, Police Chief; Arsanious Hanna, City Engineer; Eva Carreon, Director of Finance; Marilyn Simpson, Community Development Director; Mary Hull, Human Resources Manager, Elizabeth Rodriguez, Public Services Director; Jeff Wagner, Information Technology Manager; and Armando Hegdahl, Acting Deputy City Clerk

CHANGES TO THE AGENDA

CITY MANAGER TAM

City Manager Tam requested that Item No. 2D be moved to the top of the items for consideration under New Business.

COUNCILMEMBER TRAVEL REPORTS

None.

COUNCILMEMBER COMMENTS

COUNCILMEMBER BRECEDA

Councilmember Breceda requested that the meeting be adjourned in memory of Eva Hernandez.

MAYOR ORTIZ

Mayor Ortiz reported on the Gold Line Joint Powers Authority Board meeting he attended on May 13.

INTRODUCTION OF NEW EMPLOYEES / PROMOTIONS

None.

PROCLAMATIONS / PRESENTATIONS / COMMENDATIONS

IRWINDALE CHAMBER OF COMMERCE BUSINESS OF THE MONTH – SIREN ARTS

IRWINDALE CHAMBER OF COMMERCE BUSINESS OF THE MONTH – SIREN ARTS

The presentation was made.

SPONTANEOUS COMMUNICATIONS

YOLANDA GARCIA — Yolanda Garcia submitted a letter wherein she spoke in favor of re-instituting the Summer Youth Worker program this year.

ROBERT DIAZ — Robert Diaz reported a hazardous condition on Morada Street and requested follow-up.

ANDREA MORENO — Andrea Moreno, with Supervisor Hilda Solis' Office, spoke on COVID vaccination rates, the availability of rent relief programs, and intervention trainings to stop hate of any kind.

DENA ZEPEDA — Dena Zepeda asked whether the Summer Youth Program would be offered this year, and spoke in support of holding a fireworks show on July 4.

CONSENT CALENDAR

MOTION — A motion was made by Councilmember Ambriz, seconded by Councilmember Garcia, to approve the Consent Calendar. The motion was unanimously approved.

ITEM NO. 1A
MINUTES

MINUTES

The following minutes were approved:

1) Special joint meeting held April 28, 2021
2) Regular meeting held April 28, 2021

ITEM NO. 1B
WARRANTS
/ DEMANDS
/ PAYROLL

WARRANTS / DEMANDS / PAYROLL

The warrants / demands / payroll were approved.

ITEM NO. 1C
SECOND READING
OF ORDINANCE –
REGULATION OF
NON-SMARA PITS

SECOND READING OF **ORDINANCE NO. 756** – REGULATION OF NON-SMARA PITS

ORDINANCE NO. 756
ADOPTED ON
SECOND READING

Ordinance No. 756, entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRWINDALE, CALIFORNIA, ADDING CHAPTER 17.130 (RECLAMATION OF MINES EXEMPT FROM THE SURFACE MINING AND RECLAMATION ACT ("SMARA") TO ESTABLISH REGULATIONS AND STANDARDS FOR NON-SMARA PITS TO TITLE 17 (ZONING) OF THE IRWINDALE MUNICIPAL CODE (IMC)," was passed, approved, and adopted on second reading, reading by title only and waiving further reading thereof.

ITEM NO. 1D REJECTION OF CLAIM - PERFECTO MARTINEZ VS. CITY OF	REJECTION OF CLAIM – PERFECTO MARTINEZ VS. CITY OF IRWINDALE The claim of Perfecto Martinez vs. City of Irwindale was rejected and staff was directed to send a letter of rejection.
ITEM NO. 1E REJECTION OF CLAIM JAVIER IBARRA VS. CITY OF IRWINDALE	REJECTION OF CLAIM – JAVIER IBARRA VS. CITY OF IRWINDALE The claim of Javier Ibarra vs. City of Irwindale was rejected and staff was directed to send a letter of rejection.
ITEM NO. 1F UPDATE REGARDING THE IRWINDALE COMMUNITY FOUNDATION'S APPROVAL TO REDIRECT THE USE OF THE IRWINDALE COMMUNITY FOUNDATION'S FY 2020-2021 CONTRIBUTION TO VARIOUS CITY DEPARTMENTS	UPDATE REGARDING THE IRWINDALE COMMUNITY FOUNDATION'S APPROVAL TO REDIRECT THE USE OF THE IRWINDALE COMMUNITY FOUNDATION'S FY 2020-2021 CONTRIBUTION TO VARIOUS CITY DEPARTMENTS The update regarding the Irwindale Community Foundation's (ICF) approval of the City's request to redirect $92,255 of the ICF's FY 2020-2021 Contribution to be reallocated among the Community Services Departments for certain uses, as well as the sponsorship of free or reduced fees, that will benefit the Irwindale community, was received and filed.

END OF CONSENT CALENDAR

NEW BUSINESS

ITEM NO. 2D IRWINDALE CITY COUNCIL SELECT A NAME FOR "A" STREET (MAYANS HOUSING PROJECT) AND ADOPT A RESOLUTION TO RENAME "A" STREET	IRWINDALE CITY COUNCIL SELECT A NAME FOR "A" STREET (MAYANS HOUSING PROJECT) AND ADOPT A RESOLUTION TO RENAME "A" STREET
COUNCILMEMBER BRECEDA	Replying to a concern by Councilmember Breceda, City Attorney Guerra advised him that the street name adoption would not likely impact him financially, and that he may participate in discussing this item.
ASSISTANT CITY MANAGER OLIVARES	Assistant City Manager Olivares presented the staff report.
DENA ZEPEDA AND CARMEN ROMAN	Dena Zepeda and Carmen Roman suggested naming the street "Ambriz Street".

MAYOR PRO TEM BURROLA	Mayor Pro Tem Burrola agreed that the street be named "Ambriz Street".
COUNCILMEMBER BRECEDA AND MAYOR ORTIZ	Councilmember Breceda and Mayor Ortiz agreed with the suggestion.
COUNCILMEMBER AMBRIZ	Councilmember Ambriz thanked everyone for their suggestions and stated that he was honored by the suggestion.
MOTION	A motion was made by Mayor Pro Tem Burrola, seconded by Councilmember Ambriz, to adopt:
RESOLUTION NO. 2021-43-3255 ADOPTED	**Resolution No. 2021-43-3255**, entitled: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE CHANGING THE STREET NAME OF "A" STREET TO "AMBRIZ STREET." The motion was unanimously approved.
ITEM NO. 2A FY 2021-2022 BUDGET WORKSHOP #2	FY 2021-2022 BUDGET WORKSHOP #2 (Joint Item with Housing Authority and Reclamation Authority)
DIRECTOR CARREON	Director Carreon made a PowerPoint presentation detailing the General Fund Budget Summary, and invited Chief Henshaw to discuss his personnel budget requests.
CHIEF HENSHAW	Chief Henshaw discussed his request to unfreeze a Police Captain position, add two police officer positions, one part-time Community Services Officer, and freeze three of five Reserve Officer part-time positions.
CARMEN ROMAN	Carmen Roman spoke against hiring a Captain.
DENA ZEPEDA	Dena Zepeda suggested that officers' pay be "updated" and supported hiring two officers.
SUZANNE GOMEZ	Suzanne Gomez spoke on past financial hardships the city has endured and about the need to budget prudently.
DISCUSSION HELD	Discussion was held relating to current overtime costs, the proposed duties for the additional Community Services Officer, plans for park patrol, the issuance of parking citations, that the proposed Captain position would not replace the Lieutenant position, potentially hiring a full-time Community Services Officer instead of part-time, the administrative functions that the Sergeants would be able to focus on, that the hiring of a Captain would allow for a proper succession plan, the required qualifications for the Captain position, potentially hiring

residents for the Police Officer or Community Services Officer positions, and overtime spending mitigation.

MOTION — A motion was made by Councilmember Ambriz to hire two Police Officers and one part-time Community Services Officer, and freeze three of the five Reserve PT Officer positions.

CARMEN ROMAN — Carmen Roman spoke against hiring a Captain and suggested hiring two Police Officers.

ROLL CALL — The above-mentioned motion was seconded by Mayor Ortiz. Roll call results were as follows:

Councilmember Ambriz in favor of his motion as stated.
Councilmember Breceda in favor of the motion, with his support of the Captain position.
Councilmember Garcia in favor of the motion, but abstaining on the Captain position.
Mayor Pro Tem Burrola in favor of the motion, but voting against hiring two additional Police Officers and the Community Services Officer.
Mayor Ortiz in favor of the motion as stated.

CITY MANAGER TAM — City Manager Tam presented the Administration's Department proposal to reclassify the Economic Development Coordinator to Assistant to the City Manager.

ASSISTANT CITY MANAGER OLIVARES — Assistant City Manager presented the Administration Department's proposal to add a Management Analyst position and change the contractual tutors to part-time employees per Assembly Bill AB 5.

DENA ZEPEDA — Dena Zepeda spoke in support of changing the contractual tutors to part-time employees, but spoke against hiring a Management Analyst and reclassifying the current Economic Development Coordinator position.

CARMEN ROMAN — Carmen Roman supported the changes to the tutor positions, and opposed the remaining reclassification requests in the Administration Department.

MOTION — A motion was made by Councilmember Breceda to approve the reclassification of the Economic Development Coordinator to Assistant to the City Manager, add a Management Analyst position, and change the contractual Tutors to part-time employees per Assembly Bill AB 5.

DISCUSSION HELD — Discussion was held relating to the funding sources for the Management Analyst position and the costs of the contract with Gonsalves & Sons.

ROLL CALL — The above-mentioned motion was seconded by Councilmember Garcia. Roll call results were as follows:

Councilmembers Ambriz, Breceda, and Garcia were in favor; Mayor Pro Tem Burrola and Mayor Ortiz in favor of all except the Management Analyst position.

MOTION — A motion was made by Councilmember Breceda, seconded by Councilmember Garcia, to revise the distribution for a reduced Joe A. Gonsalves contract, approve professional portraits for members of the City Council and City Commissions, and for the purchase of computers / tablets for members of the City Council and City Commissions.

DISCUSSION HELD — Discussion was held relating to the services provided as well as the costs associated with the contract with Gonsalves & Sons.

ROLL CALL — The above-mentioned motion was approved with all members voting in favor; Mayor Pro Tem Burrola voting against the request relating to the contract with Joe A. Gonsalvez.

DIRECTOR CARREON — Director Carreon presented the Finance Department's personnel budget requests.

DENA ZEPEDA — Dena Zepeda spoke in favor of reclassifying the Finance Analyst position to Senior Finance Analyst, but opposed reclassifying the Finance Intern to Accountant.

CARMEN ROMAN — Carmen Roman complained about the Finance Department's requests.

MOTION — A motion was made by Councilmember Ambriz, seconded by Councilmember Breceda, to approve the reclassifications of Finance Analyst to Senior Finance Analyst, and Finance Intern to a new Accountant position.

DISCUSSION HELD — Discussion was held relating to the Finance Analyst's pay scale and education, and the pay scale for the proposed Accountant position, including benefits.

ROLL CALL — The above-mentioned motion was unanimously approved.

DIRECTOR SIMPSON — Director Simpson presented the Community Development Department's personnel budget requests.

DENA ZEPEDA — Dena Zepeda wondered whether the request would somehow translate to additional benefits for residents.

MOTION — A motion was made by Councilmember Ambriz, seconded by Mayor Pro Tem Burrola, to approve the unfreezing of the Associate Planner position.

DISCUSSION HELD	Discussion was held relating to the duties of the proposed Associate Planner, and that staff is desirous of hiring the most qualified individual for the position.
ROLL CALL	The above-mentioned motion was unanimously approved.
RECESS	At 8:33 p.m., the City Council took a short recess.
RECONVENE	At 8:44 p.m., the City Council reconvened with all members present.
DIRECTOR HANNA	Director Hanna presented the Public Works / Engineering proposed personnel budget requests.
MOTION	A motion was made by Councilmember Ambriz, seconded by Councilmember Breceda, to approve the reclassification of Assistant Engineer to Assistant City Engineer, and to hire a new Engineering Technician. The motion was unanimously approved.
DIRECTOR RODRIGUEZ	Director Rodriguez presented the Public Services personnel budget requests.
TERESA ORTIZ	Teresa Ortiz thanked Director Rodriguez for the presentation and expressed support for the requested personnel changes.
DENA ZEPEDA	Dena Zepeda spoke in support of compensating employees appropriately and approving the Public Services Department's personnel requests.
DISCUSSION HELD	Discussion was held relating to the savings realized by having existing staff perform specialized work, rather than hiring tradesmen such as electricians, irrigation workers, and pool operators.
MOTION	A motion was made by Councilmember Breceda to approve the reclassification of four permanent part-time Maintenance Aides to full time, and reclassify the Janitor to Maintenance Aide.
ADDITIONAL DISCUSSION HELD	Additional discussion was held relating to benefits and work hours for part-time workers, training for the workers, and cost savings for the department.
ROLL CALL	The above-mentioned motion was seconded by Councilmember Garcia. Roll call results were as follows: Councilmembers Breceda and Garcia voted in favor, Mayor Pro Tem Burrola opposed, and Councilmember Ambriz and Mayor Ortiz voted in favor of reclassifying the four permanent part-time Maintenance Aides to full time, but against reclassifying the Janitor to Maintenance Aide.

DIRECTOR RODRIGUEZ	Director Rodriguez presented the department's operating budget requests. She noted that the request for the purchase of a used bus can be rescinded.
DENA ZEPEDA	Dena Zepeda asked whether children could be provided free bus rides.
TERESA ORTIZ	Teresa Ortiz thanked Director Rodriguez for the presentation and expressed support for the requested operating budget requests.
MOTION	A motion was made by Councilmember Ambriz to approve the operating budget requests made by the Public Services Department, with the exception of the purchase of a used bus. Councilmember Ambriz also mentioned that he would bring up the request to provide free bus passes to the Irwindale Community Foundation for consideration.
COUNCILMEMBER BRECEDA	Councilmember Breceda seconded Councilmember Ambriz's motion.
DISCUSSION HELD	Discussion was held relating to the availability of existing vehicles for staff, and the availability of electric vehicles.
ROLL CALL	The above-mentioned motion was unanimously approved at roll call.
DIRECTOR RODRIGUEZ	Director Rodriguez then presented the personnel request for the Recreation Department.
DENA ZEPEDA	Dena Zepeda spoke against hiring a new Senior Recreation Leader.
DISCUSSION HELD	Discussion was held relating to potentially hiring residents to fill positions at the Recreation Department.
MOTION	A motion was made by Councilmember Breceda, seconded by Councilmember Garcia, to approve the request for one additional Senior Recreation Leader, a permanent part-time position.
ADDITIONAL DISCUSSION HELD	Additional discussion was held relating to funding for the position, and the need to spend funding prudently.
TERESA ORTIZ	Teresa Ortiz thanked Director Rodriguez for the presentation and expressed support for the requested personnel request.
ROLL CALL	The above-mentioned motion was denied, with Councilmembers Breceda and Garcia in favor; Councilmember Ambriz, Mayor Pro Tem Burrola, and Mayor Ortiz opposed.
DIRECTOR RODRIGUEZ	Director Rodriguez then presented the operating budget requests for the Recreation and Senior Center Departments.

DENA ZEPEDA

Dena Zepeda asked if residents would be able to purchase the exercise equipment that would be replaced, and expressed support for the request of a new computer system at the Senior Center.

DISCUSSION HELD

Discussion was held relating to the proposed purchase of a new Tahoe, whether a larger vehicle would be more appropriate, how the existing Excursion is being used, whether another Gator is necessary, and the need to replace the aging exercise equipment.

MOTION

A motion was made by Councilmember Breceda to approve all of the operating budget requests for the Recreation and Senior Center Departments.

ADDITIONAL DISCUSSION HELD

Additional discussion was held relating to the mileage of the existing Excursion, whether the purchase of another Gator is appropriate, staff's request to implement a new skateboarding class, the type of exercise equipment that is being proposed for purchase and whether they would be ADA compliant, the type of questions that would be asked using the proposed ePACT software, the current Recreation computer system, and possibly adding a variety of music to the proposed Mariachi Fest.

ROLL CALL

The above mentioned motion was seconded by Councilmember Garcia. Roll call results were as follows:

Councilmember Ambriz in favor, excluding the purchase of the Gator and the Tahoe.
Councilmember Breceda and Garcia in favor.
Mayor Pro Tem Burrola in favor, excluding the purchase of the Gator.
Mayor Ortiz in favor, excluding the purchase of the Gator and requesting a variety of music at the Mariachi Fest.

DIRECTOR CARREON

Director Carreon continued her presentation showing the revised FY 2021 – 2022 expenditure budget.

RECESS

At 10:21 p.m., the City Council took a short recess.

RECONVENE

At 10:27 p.m., the City Council reconvened with all members present.

DIRECTOR CARREON

Director Carreon continued her presentation and discussed "Special One-Time Budget Requests for Long-Term City Financial Benefits & Capital Project Requests".

MAYOR PRO TEM BURROLA

Responding to a question by Mayor Pro Tem Burrola, Director Carreon discussed the projected performance of the proposed California Employers Pension Prefunding Trust ("CEPPT").

MOTION

A motion was made by Councilmember Ambriz, seconded by Councilmember Breceda, to approve staff's special one-time budget requests, consisting of the following: 1) pay-off of the PERS Loan to

the Reclamation Fund, 2) eliminate the remaining Reclamation Cap Annual Transfer, and 3) startup advance for the new CalPERS Trust – CEPPT. The motion was unanimously approved.

DIRECTOR CARREON

Director Carreon continued her presentation detailing staff's Capital Project Requests consisting of: 1) Irwindale Park Phase 4 and 5, 2) Recreation/Library Building improvements, and 3) Project for Our Lady of Guadalupe Mission.

MAYOR PRO TEM BURROLA

In reply to a question by Mayor Pro Tem Burrola, Director Carreon elaborated on future General Fund revenue.

MOTION

A motion was made by Councilmember Breceda, seconded by Councilmember Ambriz, to approve staff's Capital Project funding requests. The motion was unanimously approved.

ITEM NO. 2B
PROPOSED IRWINDALE ACTIVE TRANSPORTATION PLAN

PROPOSED IRWINDALE ACTIVE TRANSPORTATION PLAN

DIRECTOR SIMPSON

Director Simpson introduced the report and presented Mr. Michael Nillson from PlaceWorks, who made a PowerPoint presentation.

MOTION

A motion was made by Councilmember Ambriz to adopt **Resolution No. 2021-41-3253**, entitled:

RESOLUTION NO. 2021-41-3253

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE ADOPTING THE CITY OF IRWINDALE ACTIVE TRANSPORTATION PLAN."

COUNCILMEMBER GARCIA

Councilmember Garcia asked about project deadlines, to which Director Simpson advised that the projects presented are simply presented for the Council's possible consideration in the future, and that they are non-binding.

MAYOR ORTIZ

Responding to a question by Mayor Ortiz, Mr. Nillson indicated that, once the plan is adopted, the highest priority projects could be analyzed. He stated that the plan provides a lot of flexibility in determining what individual projects or groups of projects can be incorporated so that the city could be as competitive as possible.

DIRECTOR SIMPSON

Director Simpson advised that staff would present any proposed projects to the Council.

ROLL CALL

The above-mentioned motion was unanimously approved.

ITEM NO. 2C
PROPOSED TRANSFER

PROPOSED TRANSFER OF CITY-OWNED PROPERTY AT 5100 ALLEN DRIVE, A 10-ACRE PARCEL ON EAST SIDE OF ALLEN

OF CITY-OWNED PROPERTY AT 5100 ALLEN DRIVE, TO THE IRWINDALE HOUSING AUTHORITY FOR FUTURE HOUSING	DRIVE, TO THE IRWINDALE HOUSING AUTHORITY FOR FUTURE HOUSING DEVELOPMENT (Joint Item with Housing Authority)
CONVENING OF TWO AGENCIES	The Irwindale City Council and Housing Authority were convened for this joint item.
COUNCILMEMBER BRECEDA	Councilmember Breceda declared a potential conflict of interest and left the Council Chambers at 11:10 p.m.
DIRECTOR SIMPSON	Director Simpson presented the staff report.
CITY ATTORNEY GUERRA	City Attorney Guerra advised that the Resolution would make clear that the transfer is subject to two requirements: that HCD approves the designation of property as exempt surplus land and authorizes the transfer, and that the Planning Commission deems the transfer of the property consistent with the General Plan.
COUNCILMEMBER GARCIA	Councilmember Garcia asked whether a certain number of housing must be developed at the site, to which Director Simpson advised that the high-density residential units would be developed, but that there is no specific number of units identified yet.
RESOLUTION NO. 2021-42-3254 ADOPTED	**Resolution No. 2021-42-3254**, entitled: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE, CALIFORNIA, DECLARING REAL PROPERTY LOCATED AT 5100 ALLEN DRIVE, THE 10-ACRE PARCEL ON THE EAST SIDE OF ALLEN DRIVE, IN THE CITY OF IRWINDALE (APN #8417-03-912) AS EXEMPT SURPLUS LAND AND MAKING FINDINGS RELATED THERETO," and
RESOLUTION NO. 2021-25-3247 ADOPTED	**Resolution No. 2021-25-3247**, entitled: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING THE TRANSFER OF REAL PROPERTY LOCATED AT 5100 ALLEN DRIVE, THE 10-ACRE PARCEL ON THE EAST SIDE OF ALLEN DRIVE, IN THE CITY OF IRWINDALE (APN #8417-034-912) TO THE IRWINDALE HOUSING AUTHORITY," were passed, approved, and adopted, on the motion of Councilmember Ambriz, seconded by Councilmember Garcia, and unanimously approved; Councilmember Breceda absent.
PUBLIC HEARINGS	None.
LEGISLATIVE ITEMS	None.

CITY MANAGER'S REPORT

CITY MANAGER TAM — City Manager Tam noted that the State of California plans on reducing COVID-related restrictions in June, but advised that the City would follow the reopening strategy that it has previously presented, with any necessary modifications.

ASSISTANT CITY MANAGER OLIVARES — Assistant City Manager Olivares reported on activities by the Library, and advised that the first city newsletter has been produced and will be made available on the website in the near future.

DIRECTOR RODRIGUEZ — Director Rodriguez reported on activities by the Recreation and Senior Center Departments, as well as the upcoming 4th of July Fireworks Show and the associated arrangements for the event.

YOLANDA GARCIA — Responding to a question by Yolanda Garcia, City Manager Tam indicated that the Summer Youth Program would not be held this year.

FUTURE AGENDA ITEMS REQUESTED BY COUNCILMEMBERS

MAYOR ORTIZ — Mayor Ortiz requested cleanup on the sidewalk along Arrow Highway, and expressed his desire to implement a citywide clean-up campaign.

COUNCILMEMBER BRECEDA — Councilmember Breceda requested that the walkway from Nora to Irwindale Avenue be cleaned up and that the adjacent management company be contacted to repair the sidewalks that are being damaged by the roots of nearby trees.

ADJOURNMENT — There being no further business to conduct, the meeting was adjourned at 11:32 p.m., in memory of Eva Hernandez.

_____
Laura M. Nieto, MMC
Chief Deputy City Clerk

CC Item 1A3

IRWINDALE CITY COUNCIL CHAMBERS
5050 N. IRWINDALE AVENUE
IRWINDALE, CALIFORNIA 91706

JUNE 9, 2021
WEDNESDAY
5:30 P.M.

The Irwindale **CITY COUNCIL** met in special session at the above time and place.

ROLL CALL:

Present: Councilmembers Albert F. Ambriz, Mark A. Breceda, Manuel R. Garcia; Mayor Pro Tem Larry G. Burrola; Mayor H. Manuel Ortiz

Present: William Tam, City Manager; Adrian Guerra, City Attorney; and Laura Nieto, Chief Deputy City Clerk

SPONTANEOUS COMMUNICATIONS

There were no speakers.

RECESS TO CLOSED SESSION

At 5:30 p.m., the City Council / Housing Authority met in Closed Session to discuss the following:

Public Employee Performance Evaluation
Pursuant to California Government Code Section 54957

Title: City Manager

ACTION: Discussed; no reportable action taken.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 6:31 p.m.

_____
Laura M. Nieto, MMC
Chief Deputy City Clerk

CC Item 1A4

IRWINDALE CITY COUNCIL CHAMBERS
5050 N. IRWINDALE AVENUE
IRWINDALE, CALIFORNIA 91706

JUNE 9, 2021
WEDNESDAY
6:31 P.M.

The Irwindale **CITY COUNCIL** met in regular session, beginning at the above time and place.

ROLL CALL:

Present: Councilmembers Albert F. Ambriz, Mark A. Breceda, Manuel R. Garcia; Mayor Pro Tem Larry G. Burrola; Mayor H. Manuel Ortiz

Present: William Tam, City Manager; Theresa Olivares, Assistant City Manager; Adrian Guerra, City Attorney; Ty Henshaw, Police Chief; Arsanious Hanna, City Engineer; Eva Carreon, Director of Finance; Marilyn Simpson, Community Development Director; Mary Hull, Human Resources Manager, Elizabeth Rodriguez, Public Services Director; Jeff Wagner, Information Technology Manager; and Laura Nieto, Chief Deputy City Clerk

CHANGES TO THE AGENDA

None.

COUNCILMEMBER TRAVEL REPORTS

None.

COUNCILMEMBER COMMENTS

COUNCILMEMBER AMBRIZ

Councilmember Ambriz indicated that the Irwindale Community Foundation recognized ten local graduates at its meeting of June 4. He also disclosed that he met with a consultant from Athens Services, Dennis Chiappetta, to discuss Athens' project for the Materials Recovery Facility.

COUNCILMEMBER GARCIA

Councilmember Garcia requested that the meeting be adjourned in memory of Juana Rodriguez.

MAYOR ORTIZ

Mayor Ortiz congratulated all the local graduates.

INTRODUCTION OF NEW EMPLOYEES / PROMOTIONS

INTRODUCTION OF IRWINDALE POLICE DEPARTMENT DISPATCHER ARMINEH BURTON

INTRODUCTION OF IRWINDALE POLICE DEPARTMENT DISPATCHER ARMINEH BURTON

The introduction was made.

PROCLAMATIONS / PRESENTATIONS / COMMENDATIONS

PRESENTATION TO OUTGOING PLANNING COMMISSIONER LORETTA CORPIS

PRESENTATION TO OUTGOING PLANNING COMMISSIONER LORETTA CORPIS

The presentation was made.

SPONTANEOUS COMMUNICATIONS

There were no speakers.

CONSENT CALENDAR

MOTION

A motion was made by Councilmember Breceda, seconded by Councilmember Garcia, to approve the Consent Calendar. The motion was unanimously approved.

ITEM NO. 1A
MINUTES

MINUTES

The following minutes were approved:

1) Regular meeting held May 12, 2021

ITEM NO. 1B
WARRANTS / DEMANDS / PAYROLL

WARRANTS / DEMANDS / PAYROLL

The warrants / demands / payroll were approved.

ITEM NO. 1C
INVESTMENT POLICY REVIEW AND DELEGATION OF INVESTMENT AUTHORITY

INVESTMENT POLICY REVIEW AND DELEGATION OF INVESTMENT AUTHORITY (Joint Item on City Council, Successor Agency, Housing Authority, and Reclamation Authority agendas)

RESOLUTION NO. 2021-49-3261 ADOPTED

Resolution No. 2021-49-3261, entitled:

"A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE, SUCCESSOR AGENCY BOARD, HOUSING AUTHORITY BOARD, AND RECLAMATION AUTHORITY BOARD RATIFYING THE CITY OF IRWINDALE INVESTMENT POLICY, AND DELEGATING AUTHORITY TO THE CITY TREASURER TO INVEST THE SURPLUS FUNDS OF THE CITY OF IRWINDALE, IRWINDALE SUCCESSOR AGENCY, IRWINDALE HOUSING AUTHORITY, AND IRWINDALE RECLAMATION AUTHORITY," was adopted.

ITEM NO. 1D
APPROVAL OF SB1 ROAD MAINTENANCE AND REHABILITATION ACCOUNT LOCAL STREETS AND ROADS

APPROVAL OF SB1 ROAD MAINTENANCE AND REHABILITATION ACCOUNT LOCAL STREETS AND ROADS FUNDING ALLOCATION FOR FISCAL YEAR 2021 / 2022

1) The SB1 Local Streets and Roads Program proposed project list for Fiscal Year 2021 / 2022 was approved and staff was authorized

FUNDING ALLOCATION FOR FY 2021 / 2022

to submit said list to the California Transportation Commission, and:

RESOLUTION NO. 2021-48-3260 ADOPTED

Resolution No. 2021-48-3260, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE AUTHORIZING THE SUBMISSION OF SB1 ROAD MAINTENANCE AND REHABILITATION ACCOUNT LOCAL STREETS AND ROADS PROJECT LIST TO THE CALIFORNIA TRANSPORTATION COMMISSION AND ALLOCATION OF FUNDS TO THE 2021-2022 RESURFACING PROGRAM," was adopted.

ITEM NO. 1E
SAN GABRIEL VALLEY COUNCIL OF GOVTS. WHITEPAPER ON THE LOS ANGELES HOMELESS SERVICES AUTHORITY REFORM

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS' WHITEPAPER ON THE LOS ANGELES HOMELESS SERVICES AUTHORITY REFORM

RESOLUTION NO. 2021-51-3263 ADOPTED

Resolution No. 2021-51-3263, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE SUPPORTING THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS' WHITE PAPER ON LAHSA REFORM," was adopted.

ITEM NO. 1F
AWARD OF CONTRACT FOR CONSTRUCTION MANAGEMENT AND INSPECTION FOR TRAFFIC SIGNAL INSTALLATION AT IRWINDALE AVENUE AND CAMINO DE LA CANTERA PROJECT; P-981

AWARD OF CONTRACT FOR CONSTRUCTION MANAGEMENT AND INSPECTION FOR TRAFFIC SIGNAL INSTALLATION AT IRWINDALE AVENUE AND CAMINO DE LA CANTERA PROJECT; P-981

1) The City Manager was authorized to enter into an agreement wiht Transportation and Energy Solutions, Inc. in the amount of $79,100 for construction management and inspection for Traffic Signal Installation at Irwindale Avenue and Camino de la Cantera Project and, 2) a 20% project contingency for construction management in the amount of $15,820 was approved to cover any unforeseeable conditions that may arise during construction.

ITEM NO. 1G
REQUEST TO CONDUCT FIREWORKS SALES – IRWINDALE SISTER CITY ASSOC. AND KNIGHTS OF COLUMBUS

REQUEST TO CONDUCT FIREWORKS SALES – IRWINDALE SISTER CITY ASSOCIATION AND KNIGHTS OF COLUMBUS

The requests of the following non-profit organizations / corporations and associations that met the criteria established by the Irwindale Municipal Code to conduct fireworks sales, subject to compliance with all City, County, and State regulations: Columbus Club – Knights of Columbus #5650 and the Irwindale Sister City Association, were approved.

END OF CONSENT CALENDAR

NEW BUSINESS

ITEM NO. 2A UPDATE ON CITY OF IRWINDALE CENTRALIZED VIDEO SURVEILLANCE SYSTEM	UPDATE ON CITY OF IRWINDALE CENTRALIZED VIDEO SURVEILLANCE SYSTEM
MANAGER WAGNER	Manager Wagner presented the staff report.
MAYOR PRO TEM BURROLA	Responding to several questions by Mayor Pro Tem Burrola, Manager Wagner advised that: 1) license plate capture cameras typically send recorded videos through cellular networks, 2) the camera facing the Police Department's parking lot is operational, 3) staff could add cameras at the City Yard and include additional cameras for installation at Jardin de Roca Park, behind the tennis courts, and 4) adding cameras to the school buses.
COUNCILMEMBER GARCIA	Councilmember Garcia suggested possibly installing cameras facing north and south at the area behind the tennis courts at Jardin de Roca Park. He also asked whether the existing computer system would be compatible with a new surveillance system, to which Manager Wagner advised that, whichever system is procured, the city would need to capture 365 days of video, though the existing computer system should be able to accommodate the requirement. Councilmember Garcia also asked about safeguarding the videos, to which Manager Wagner indicated that, if the videos are stored on-site, the City would be responsible; but if the videos are stored in the cloud, the selected vendor would be responsible.
MAYOR ORTIZ	Mayor Ortiz asked about existing cameras within city facilities, to which Manager Wagner advised that there are cameras at City Hall, Police Department, Recreation, and the Limited Volume Transfer Station. However, there are none at the Senior Center, Second Street, and the Engineering office. Mayor Ortiz also asked about video monitoring, to which Manager Wagner elaborated on which staff members could monitor them.
COUNCILMEMBER GARCIA	Responding to a concern by Councilmember Garcia regarding the longevity of the new surveillance system, Manager Wagner indicated that technology, unfortunately, becomes obsolete rather quickly, and that the surveillance system that would be purchased should last about 10 years.

MOTION

A motion was made by Councilmember Ambriz, seconded by Councilmember Breceda, to: 1) receive the report on the number of video surveillance cameras recommended for installation throughout city facilities, parks, and playgrounds, 2) authorize staff to proceed with the preparation of a Request for Proposal (RFP) for the City of Irwindale Centralized Video Surveillance System, and 3) adopt:

RESOLUTION NO. 2021-52-3264 ADOPTED

Resolution NO. 2021-52-3264, entitled: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROPRIATING $400,000 FROM THE CITY'S GENERAL FUND RESERVE BALANCE FOR THE CITYWIDE VIDEO SURVEILLANCE SYSTEM," was passed, approved, and adopted on unanimous roll call vote.

PUBLIC HEARINGS

ITEM NO. 3A
ADOPTION OF FY 2021-2022 BUDGETS AND ESTABLISHING THE APPROPRIATIONS LIMIT FOR FY 21-22

ADOPTION OF FISCAL YEAR 2021-2022 BUDGETS AND ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021-2022

DIRECTOR CARREON

Director Carreon presented the staff report.

MAYOR PRO TEM BURROLA

Mayor Pro Tem Burrola thanked staff for the report and encouraged the Council to approve the Our Lady of Guadalupe Church project and suggested that military flags be installed at the Veterans Monument.

MAYOR ORTIZ

Responding to a question by Mayor Ortiz, Director Carreon spoke on Director Rodriguez's presentation wherein she detailed the scheduling difficulties experienced when attempting to schedule part-time employees, which led to staff's recommendation to hire a Permanent Part Time employee whose schedule would better accommodate staffing needs.

Mayor Ortiz also asked about the proposed expenditures, which Director Carreon detailed. Mayor Ortiz also asked about offsetting the deficit, to which Director Carreon advised that this budget, once adopted, would be covered through the city's financial reserves, and noted that the report explains that reserve funds would be reduced to 26.9 million by the end of June 30, 2022 if everything remains the same.

MAYOR PRO TEM BURROLA

Mayor Pro Tem Burrola requested a report on the amount of part-time employees working at the Recreation Department as well as the related costs, to which City Manager Tam advised that staff is working on preparing a report to present to the Council at the next meeting.

OPEN PUBLIC HEARING

At 7:20 p.m., Mayor Ortiz opened the public hearing.

CLOSE PUBLIC HEARING

There being no speakers, Mayor Ortiz closed the public hearing at 7:21 p.m.

MOTION

A motion was made by Councilmember Ambriz, seconded by Councilmember Breceda to: 1) introduce **Ordinance No. 757**, entitled:

ORDINANCE NO. 757 INTRODUCED FOR FIRST READING

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRWINDALE ADOPTING THE BUDGET FOR FISCAL YEAR 2021-2022,", reading by title only and waiving further reading thereof, and

RESOLUTION NO. 2021-47-3259 ADOPTED

Adopt **Resolution No. 2021-47-3259**, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021-2022." The motion was unanimously approved.

ITEM NO. 3B
SPDR FOR THE DEVELOPMENT OF AN APPROXIMATE 12,016 SQUARE-FOOT, TWO-STORY OFFICE AND WAREHOUSE – 2511 BUENA VISTA ST.

SITE PLAN AND DESIGN REVIEW (DA) NO. 01-2021 FOR THE DEVELOPMENT OF AN APPROXIMATE 12,016 SQUARE-FOOT, TWO-STORY OFFICE AND WAREHOUSE INDUSTRIAL BUILDING FOR PROPERTY LOCATED AT 2511 BUENA VISTA STREET

LISA CHOU

Planning Technician Lisa Chou made the presentation.

OPEN PUBLIC HEARING

At 7:27 p.m., Mayor Ortiz opened the public hearing.

KYLE DO

Kyle Do, 2511 Buena Vista Avenue, spoke in support of the project.

CLOSE PUBLIC HEARING

There being no additional speakers, Mayor Ortiz closed the public hearing at 7:29 p.m.

RESOLUTION NO. 2021-44-3256 ADOPTED

Resolution No. 2021-44-3256, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING SITE PLAN AND DESIGN REVIEW (DA) NO. 01-2021 FOR THE DEVELOPMENT OF A ±12,016 SQUARE FOOT TWO-STORY OFFICE AND WAREHOUSE INDUSTRIAL BUILDING LOCATED AT 2511 BUENA VISTA STREET IN THE M-2 (HEAVY MANUFACTURING) ZONE SUBJECT TO CONDITIONS AS SET FORTH HEREIN AND MAKING FINDINGS IN SUPPORT THEREOF AND FINDING THE PROJECT EXEMPT FROM CEQA PURSUANT TO SECTION 15332 (CLASS 32; IN-FILL

DEVELOPMENT PROJECTS)," was passed, approved, and adopted, on the motion of Councilmember Ambriz, seconded by Councilmember Breceda, and unanimously approved.

LEGISLATIVE UPDATE

ASSISTANT CITY MANAGER OLIVARES — Assistant City Manager Olivares presented information on: 1) SB 619 regarding organic waste reduction regulations, which the City supports, 2) SB 9 regarding increased density in single-family zones, which the City opposes, and 3) AB 215 regarding the housing element, which the City opposes. She also provided a brief update on the Governor's revised budget.

CITY MANAGER'S REPORT

CITY MANAGER TAM — City Manager Tam indicated that staff will continue monitoring the latest Public Health Department guidelines and will align city protocols to provide a safe environment for staff and the public. He added that he will prepare a staff report for Council consideration.

DIRECTOR RODRIGUEZ — Director Rodriguez advised that the Recreation Department and Senior Center will continue requiring the use of masks and social distancing in their facilities, and noted that West Coast Arborists has cleaned up the median island trees and removed a tree that was structurally unstable.

COUNCILMEMBER GARCIA — Responding to a concern by Councilmember Garcia, Director Rodriguez stated that some tie-down lines on median trees were cut down by vandals.

DIRECTOR CARREON — Director Carreon provided an update on the American Rescue Plan funding.

FUTURE AGENDA ITEMS REQUESTED BY COUNCILMEMBERS

MAYOR ORTIZ — Mayor Ortiz requested placing an item on the agenda for the next meeting to discuss illegal fireworks.

COUNCILMEMBER BRECEDA — Councilmember Breceda reported on materials being poured on the basketball court at Jardin de Roca Park, which is making it slippery. City Manager Tam stated the would look into the concern.

ADJOURNMENT There being no further business to conduct, the meeting was adjourned at 7:51 p.m., in memory of Juana Rodriguez.

_____
Laura M. Nieto, MMC
Chief Deputy City Clerk

CC Item 1B

Electronic Payments

June 2021

June 1 - 15, 2021

Number	Vendor Name	Date	Amount
ACH	CalPERS-Medical	6/1/2021	241,239.41
ACH	CalPERS	6/9/2021	75,760.42
ACH	CalPERS	6/9/2021	127.52
ACH	CalPERS	6/10/2021	212.34
ACH	EDD	6/9/2021	20,154.27
ACH	EDD	6/9/2021	1.40
ACH	Federal Tax	6/9/2021	51,617.49
ACH	Nationwide-457 Plan & Trust	6/3/2021	12,584.89
ACH	Nationwide-Roth Cotribution-457 Plan & Trust	6/3/2021	2,502.00

Accounts Payable

Checks by Date - Summary by Check Number

User: nwoodard
Printed: 6/16/2021 11:53 AM

Check No	Vendor No	Vendor Name	Check Date	Check Amount
74131	AMERIFID	American Fidelity Assurance	06/03/2021	6,259.96
74132	AMERIC34	American Fidelity Assurance Co	06/03/2021	2,498.67
74133	Ayala01	Leonor Ayala	06/03/2021	168.75
74134	BURT01	Armineh Burton	06/03/2021	331.21
74135	PMIDEN	Delta Dental Insurance Company	06/03/2021	1,039.22
74136	PMIDEN01	Delta Dental of California	06/03/2021	12,485.34
74137	FLORE01	Karla Flores	06/03/2021	260.00
74138	FRONT01	Frontier Communications	06/03/2021	283.84
74139	GASCOM	Gas Company, The	06/03/2021	3,120.84
74140	LAREGI	LA Registrar Recorder/county	06/03/2021	75.00
74141	NIETO01	Laura Nieto	06/03/2021	414.00
74142	OPTUM01	OptumRx, Inc.	06/03/2021	65,786.81
74143	PETTYC05	City of Irwindale Petty Cash	06/03/2021	730.00
74144	INVEST01	James Rodino	06/03/2021	1,175.00
74145	SILV01	Randy Silva	06/03/2021	349.56
74146	SMART&	Smart & Final	06/03/2021	152.77
74147	SCE02	Southern California Edison	06/03/2021	36,065.48
74148	STANDA01	Standard Insurance Co. RV	06/03/2021	414.45
74149	STANDA03	Standard Insurance Company	06/03/2021	2,080.44
74150	VALLEY01	Valley County Water District	06/03/2021	579.84
74151	VALLEY09	Valley View Mutual Water Co.	06/03/2021	72.53
74152	VISION01	Vision Service Plan - (CA)	06/03/2021	4,252.89
74153	WAGONER	Pamela Wagoner	06/03/2021	600.00
74154	CALIFO56	California State Disbursement Unit	06/03/2021	604.15
74155	AGUILA07	Berlyn Aguila	06/10/2021	3,000.00
74156	ALESHIRE	Aleshire & Wynder, LLP	06/10/2021	72,447.50
74157	AT&T06	AT & T	06/10/2021	1,706.82
74158	BANKOF03	Bank of The West	06/10/2021	9,549.89
74159	CALIFO02	California American Water	06/10/2021	1,511.36
74160	CALIFO03	California JPIA	06/10/2021	2,688.62
74161	CHARTE01	Charter Communications	06/10/2021	275.50
74162	SOUTHE17	Golden State Water Company	06/10/2021	1,466.62
74163	HOMEDE	Home Depot Credit Services	06/10/2021	688.08
74164	HOYEN	Noelle Hoye	06/10/2021	480.00
74165	IRWIND14	Irwindale Industrial Clinic	06/10/2021	125.00
74166	LEDEZMA	Erica Ledezma	06/10/2021	1,800.00
74167	OPTUM01	OptumRx, Inc.	06/10/2021	29,059.86
74168	SCE02	Southern California Edison	06/10/2021	1,380.91
74169	TYLER01	Jeff Tyler	06/10/2021	264.59
74170	VALLEY01	Valley County Water District	06/10/2021	7,421.70
74171	verizonw	Verizon Wireless	06/10/2021	3,050.89
74172	VISION01	Vision Service Plan - (CA)	06/10/2021	3,505.16
74173	WIND01	Windwild Group	06/10/2021	967.00
74174	AIRL01	Air Link Tech Inc.	06/23/2021	5,200.00
74175	ALLCI01	All City Management Services, Inc	06/23/2021	1,318.91
74176	ARAM01	Aramark Uniform & Career Apparel Group	06/23/2021	136.87
74177	BAKER01	Baker & Taylor Books	06/23/2021	117.02

Check No	Vendor No	Vendor Name	Check Date	Check Amount
74178	BATE01	Bateman Community Living, LLC	06/23/2021	1,380.00
74179	BILLST	Bill's Truck Repair, Inc.	06/23/2021	775.45
74180	BLACKA	Black & White Emergency Vehicles	06/23/2021	240.00
74181	CBEL01	C Below, Inc.	06/23/2021	960.00
74182	CALBLE	Cal Blend Soils, Inc.	06/23/2021	165.93
74183	CALIFO26	California Police Chiefs	06/23/2021	585.00
74184	Cat Spec	Cat Specialities Inc	06/23/2021	1,047.15
74185	CHARTE03	Charter Communications	06/23/2021	3,880.00
74186	CHRISN01	Chris Nelson & Associates, Inc.	06/23/2021	5,770.00
74187	CINTAS	Cintas Corporation #693	06/23/2021	138.32
74188	LOSANG33	County of Los Angeles	06/23/2021	79,463.14
74189	DAVIDE	David Evans & Associates Inc	06/23/2021	2,407.40
74190	BALLOO	Carol Diess	06/23/2021	15.00
74191	DREAMS01	Dreamshapers	06/23/2021	275.00
74192	DUDEK01	Dudek	06/23/2021	17,810.00
74193	FCG01	FCG Consultants Inc.	06/23/2021	124.70
74194	FEDEX	FedEx	06/23/2021	14.87
74195	FILLG01	Fill Good Landscaping	06/23/2021	375.00
74196	GAME01	GameTime	06/23/2021	7,870.25
74197	GARVEY	Garvey Equipment Co	06/23/2021	1,370.71
74198	HASA01	Hasa Inc.	06/23/2021	505.10
74199	HDL01	Hdl Software, LLC	06/23/2021	66.52
74200	INTELL01	Intelli-tech, Inc.	06/23/2021	383.16
74201	IRWIND23	Irwindale Business Center	06/23/2021	414.38
74202	IRWIND21	Irwindale Hand Wash & Auto Detail	06/23/2021	871.55
74203	ITERIS	Iteris, Inc.	06/23/2021	34,356.50
74204	JUSTIRE	Just Tires	06/23/2021	255.05
74205	KJSERV01	KJ Services Enviromental Consulting LLC	06/23/2021	127.50
74206	LANDSC	Landscape Warehouse III	06/23/2021	128.97
74207	LEAGUE02	League Of California Cities	06/23/2021	924.00
74208	LEWISE	Lewis Engraving, Inc.	06/23/2021	39.33
74209	LEXISN	LexisNexis Risk Solutions	06/23/2021	151.50
74210	LG2WB01	LG2WB Engineers, Inc	06/23/2021	10,834.00
74211	MAINTE01	Maintex	06/23/2021	2,570.55
74212	CALIBE01	Lawrence E. Marino	06/23/2021	1,650.57
74213	MARIPO	Mariposa Landscapes, Inc.	06/23/2021	8,796.00
74214	MARXBR	Marx Bros Fire Extinguisher Co	06/23/2021	329.13
74215	MED01	Med-Tech Resource	06/23/2021	464.88
74216	MIJACA	Mijac Alarm, Inc.	06/23/2021	666.00
74217	MONROV07	Monrovia Chrysler Dodge Jeep Ram	06/23/2021	532.80
74218	MOTOR01	Motorola Solutions, Inc.	06/23/2021	61,588.00
74219	OFFICE03	Office Depot	06/23/2021	1,988.98
74220	PHASEII	PARS	06/23/2021	1,750.00
74221	PLUM01	Plump Engineering, Inc.	06/23/2021	1,950.00
74222	PROPRINT	Pro Printing, Inc.	06/23/2021	1,850.97
74223	PURCHA	Purchase Power	06/23/2021	2,139.22
74224	RPLAUR02	R. P. Laurain & Associates	06/23/2021	1,000.00
74225	PACIFI13	Rene David LTD	06/23/2021	254.48
74226	RETT01	Rett's Automotive	06/23/2021	151.27
74227	RICOH01	Ricoh USA, Inc	06/23/2021	1,063.25
74228	RIOHON01	Rio Hondo College	06/23/2021	54.48
74229	ROSENO	Rosenow Spevacek Group Inc	06/23/2021	1,426.25
74230	SCFUELS	SC Fuels	06/23/2021	4,889.04
74231	SWT01	SWT Engineering, Inc.	06/23/2021	1,596.00
74232	PENWOR	The Penworthy Company	06/23/2021	259.29
74233	ULINE01	Uline	06/23/2021	157.00
74234	UNITED11	United Site Services of CA Inc	06/23/2021	539.99

Check No	Vendor No	Vendor Name	Check Date	Check Amount
74235	V&V01	V & V Manufacturing, Inc.	06/23/2021	136.83
74236	WALT01	Walters Wholesale Electric Co.	06/23/2021	430.90
74237	WEST04	WC Performance Ford Inc.	06/23/2021	622.67
74238	WESTCO05	West Coast Arborists, Inc.	06/23/2021	4,659.00
			Report Total (108 checks):	565,206.08

CC Item 1C

☒City Council
☐Successor Agency
☐Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Mayor and Members of the City Council

From: William K. Tam, City Manager

Issue: Cancellation of November 24, 2021 and December 22, 2021 City Council Meetings

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City Manager's Recommendation:

Approve cancellation of the regular City Council (and its agencies) meetings scheduled for November 24, 2021 and December 22, 2021.

Administrative Action:

Submitted by:

Theresa Olivares, Assistant City Manager

Prepared by:
Laura Nieto, Chief Deputy City Clerk

Reviewed by:

Adrian Guerra, City Attorney — *Electronically Approved*

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, City Manager

Background and Analysis:

Because the regularly scheduled second meetings in November and December fall during the holiday season (and City Hall may be closed to the public during the period December 20, 2021, returning January 3, 2022), it would be appropriate for Council to consider canceling the meetings of November 24, 2021 and December 22, 2021, as has been done in past years.

Fiscal Impact:

None

☒City Council
☐Successor Agency
☐Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

CC Item 1D

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Mayor and Members of the City Council

From: William K. Tam, City Manager

Issue: Professional Contract Services Agreement with Environmental Science Associates (ESA) for the preparation of an updated General Plan, Housing Element, Safety Element, and development of an Environmental Justice Element, and the appropriate Environmental Review document in compliance with State law.

City Manager's Recommendation:

1) That the City Council approve the attached contract in the amount of $642,332 with Environmental Science Associates (ESA) for the preparation of an updated General Plan, Housing Element, Safety Element, and development of an Environmental Justice Element, and the appropriate Environmental Review document in compliance with State law.

Administrative Action:

Submitted & Prepared by:

Marilyn Simpson, Community Development Director
(626) 430-2209

Marilyn Simpson

Reviewed by:

Adrian R. Guerra, City Attorney — **Electronically approved**

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, City Manager

BACKGROUND

The Housing Element of the General Plan is one of seven elements mandated by State law. The Housing Element is subject to detailed statutory requirements and requires review and certification by the State Department of Housing and Community Development (HCD). The Housing Element for the 5th cycle (2014-2021) was adopted in September 2013. The Housing Element provides a detailed roadmap for facilitating housing development and must make adequate provision for the existing and projected housing needs of all economic segments of the community. It must assess the local need for each income category, identify resources and constraints relevant to meeting that need, and implement programs to address the need by planning for and removing constraints to development of housing to accommodate the need. This is accomplished by establishing housing objectives, policies and programs in response to community housing conditions and needs, in particular the Regional Housing Needs Allocation.

The Southern California Association of Governments (SCAG) is the agency that determines the projected housing needs for its region, and then allocates those needs to each jurisdiction. This process is known as the "Regional Housing Needs Assessment (RHNA)." The total number of new RHNA housing units allocated to the City of Irwindale for the 6th Planning Period Cycle (2021-2029) is units as follows:

Planning Period 2021-2029 (6th Cycle)	
Income Category	**Number of Units**
Very Low Income	36
Low Income	11
Moderate Income	17
Above Moderate Income	56
Total	**120**

The number of units allocated to the City of Irwindale was substantially higher during this planning period (6th cycle: 120 DU) compared to the previous cycle (5th cycle: 15 DU). Of the 15 units, 2 were intended for extremely low-income households, 2 for very-low income households, 2 for low-income households, 2 for moderate-income households, and 7 for above moderate-income households. A private developer, private property owner, City/Housing Authority, or combination thereof may achieve the development of units under the 6th Cycle.

The housing crisis and changes of housing policy affected activities at the regional level base on five main objectives:

- Increasing the housing supply and mix of housing types, tenure and affordability in all cities and counties within the region in an equitable manner, which result in each jurisdiction receiving an allocation of units for low- and very low-income households.

- Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the greenhouse gas reductions targets provided by the State Air Resources Board.
- Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage worker in each jurisdiction.
- Allocating a lower proportion of housing need in income categories in jurisdictions that have disproportionately high share in comparison to the County distribution.
- Affirmatively furthering fair housing
- No net loss of capacity when sites are developed

Safety Element Update

Per Government Code Sections 65302 et seq., local jurisdictions must update the Safety Element related to fire hazards and climate adaptation and resiliency strategies upon this revision of the Housing Element (6th Cycle). The Safety Element must be reviewed and amended and must incorporate elements of the Local Hazard Mitigation Plan, climate adaptation, and resiliency strategies consistent with Senate Bill (SB) 379. The Safety Element also requires that the City identify single access neighborhoods and issues with evacuation routes throughout the Irwindale community. Staff is using the Housing Element update (6th Cycle) process to ensure that the Safety Element of the General Plan complies with State regulations.

Environmental Justice Element

Per Government Code Section 65302 (h)(1), a local jurisdiction must add an Environmental Justice Element to the General Plan upon the revision of two or more elements to the General on or after January 1, 2018. The Environmental Justice Element will identify objectives and policies to reduce the unique or compounded health risks by means that include, the reduction of pollution exposure, improvement of air quality, promotion of public facilities, food access, safe and sanitary homes, physical activity, promote civic engagement in the public decision making process, and prioritize improvements and programs that address the needs of disadvantaged communities. The new Environmental Justice Element must also be completed in accordance with Senate Bill (SB) 1000 and the mandated Land Use Element (Irwindale's Community Development Element) amendments must be prepared to ensure any land use map and textual edits reflect the updates to the Housing Element and are internally consistent.

EVALUATION AND SELECTION OF CONSULTANT

A Request for Proposals (RFP) for consulting services to complete the Housing Element Update, Safety Element Update, development of a new Environmental Justice Element, and update all and Environmental Review, and update all other General Plan Elements for consistency was issued on March 8, 2021 to a total of thirty-two (32) known consultants with experience in this area, posted on the City's website, the American Planning Association (APA) website, and the local Los Angeles APA website. No responses were received and a second RFP was issued on March 25, 2021, with no

responses. A third RFP was issued on May 18, 2021. On June 1, 2021, the City received one proposal from Environmental Science Associates (ESA).

City staff rated the proposal based on the following criteria:

- Understanding the scope of work
- Approach to completing the project
- Demonstrated professional skill and staff credentials
- Related work experience and references
- Quality of the proposal and subsequent interview

ESA was determine to be qualified to perform the services requested, and staff is recommending an award of contract. ESA is teamed with Bay Area Economics (BAE) for the Housing Element Update, and LLG for traffic engineering environmental review, and Place It! for community outreach. The ESA team is familiar with the City, having previously provided consulting services to Irwindale with valuable expertise, experienced personnel, and timely responses.

FISCAL IMPACT

The Housing Element Update, Safety Element Update, new Environmental Justice Element, other associated updates to the General Plan, and Environmental Review will be funded 50% ($321,116) by the General Fund and 50% ($321,116) by the Mining Impact Fund. There is sufficient funding for this contract included in the FY 2021-2022 Budget, which is being adopted concurrently during this Council Meeting.

ATTACHMENTS

A: Agreement for Professional Contract Services with ESA. (including cost proposal)

AGREEMENT FOR CONTRACT SERVICES
BETWEEN THE CITY OF IRWINDALE AND ENVIRONMENTAL SCIENCE ASSOCIATES (ESA)

THIS AGREEMENT FOR CONTRACT SERVICES (herein "Agreement") is made and entered into this 23rd day of June 2021, by and between the City of Irwindale, a California municipal corporation ("City"), and Environmental Science Associates (ESA), a California corporation ("Consultant" or "ESA"). City and Consultant are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties".

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services pertaining to California Environmental Quality Act (CEQA) for land use entitlements defined and described in Exhibit 1 of this Agreement.

B. Consultant, following submission of a proposal or bid for the performance of the services defined and described in Exhibit 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the Section 607 of the City of Irwindale's Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.
In compliance with all terms and conditions of this Agreement, the Consultant shall provide those services specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference, which may be referred to herein as the "services" or "work" hereunder. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services

described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. "For purposes of this Agreement, the phrase "highest professional standards" shall mean those standards of practice and skill ordinarily exercised in the profession by firms performing similar work under similar circumstances."

Consultant's Proposal.

The Scope of Service shall include the Consultant's proposal or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.2 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.3 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.4 Familiarity with Work.

By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Consultant discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform the City of such fact and shall not proceed except at Consultant's risk until written instructions are received from the Contract Officer.

1.5 Care of Work.

The Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

1.6 Prevailing Wages.

Consultant is advised of the requirements of California Labor Code Section 1720 which provides: prevailing wage rates apply to "[c]onstruction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds, except work done directly by any public utility company pursuant to order of the Public Utilities Commission or other public authority." It is the Parties' understanding that this Project shall not be required to pay prevailing wages pursuant to Sections 1770 – 1781 of the California Labor Code and 33423 – 33426 of the California Health and Safety Code. To this end, Consultant acknowledges and agrees that should any third party, including but not limited to the Director of the Department of Industrial Relations ("DIR"), require Consultant or any of its contractors or subcontractors to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the DIR under Prevailing Wage Law, then Consultant shall indemnify, defend, and hold City harmless from any such determinations, or actions (whether legal, equitable, or administrative in nature) or other proceedings, and shall assume all obligations and liabilities for the payment of such wages and for compliance with the provisions of the Prevailing Wage Law. The City make no representation that any work completed by Consultant is or is not subject to Prevailing Wage Law.

1.7 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said

adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum or $25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other contractors. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed SIX HUNDRED AND FORTY TWO THOUSAND THREE HUNDRED AND THIRTY TWO DOLLARS ($642,332.00) (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.9.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by City for any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Consultant.

The following principals of Consultant ("Principals") are hereby designated as being the principals and representatives of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Ruta K. Thomas	Senior Vice President/Southern CA Regional Director
(Name)	(Title)
Monica Strauss	Vice President
(Name)	(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Consultant.

Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be the City Manager or such person as may be designated by the City Manager. It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions, which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Required Insurance Policies.

Without limiting Consultant's indemnification of the City and prior to commencement of services, Consultant shall obtain, provide and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Comprehensive General Liability Insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

(b) Automobile Liability Insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than $1,000,000 combined single limit for each accident.

(c) Professional Liability (errors & omissions) Insurance. Consultant shall maintain professional liability insurance that covers the services to be performed in connection with this Agreement, in the minimum amount of $1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this Agreement.

(d) Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least $1,000,000).

5.2 Other Provisions or Requirements.

(a) Proof of Insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required in section 5.1, and for purposes of Workers' Compensation Insurance Consultant shall submit a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees and volunteers. Should the Consultant be a sole proprietor, the Consultant shall complete and submit a declaration of sole proprietors form to the City in lieu of proof of Workers' Compensation as it not required for sole proprietors. The insurance certificates and endorsements must be

approved by City's Risk Manager prior to commencement of performance of services. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

(b) Duration of Coverage. Consultant shall procure and maintain each of the insurance policies required in Section 5.1 for the duration of the Agreement, and any extension thereof.

(c) Primary/Noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall be excess to the Consultant's insurance and shall not contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

(d) City's Rights of Enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(e) Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

(f) Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(g) Enforcement of Contract Provisions (non estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to

inform Consultant of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

(h) Requirements Not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

(i) Notice of Cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

(j) Additional Insured Status. General liability and automobile policies shall provide or be endorsed to provide that City and its officers, officials, employees, agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

(k) Prohibition of Undisclosed Coverage Limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved by the City in writing.

(l) Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

(m) Pass Through Clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the services, which are the subject of this Agreement, who is brought onto or involved in these services by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with

consultants, subcontractors, and others engaged in the services will be submitted to City for review.

(n) City's Right to Revise Specifications. The City reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

(o) Deductibles/ Self-insured Retentions. Any deductibles and self-insured retentions must be declared to and approved by City. At the option of the City , either: the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officers, officials, employees, agents and volunteers, or the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claims administration and defense expense.

(p) Timely Notice of Claims. Consultant shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

(q) Additional Insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

5.3 Performance Bond.

Section 5.3 Omitted

5.4 Indemnification.

(a) Indemnity for Professional Liability. To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity to the extent arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable ("indemnitors"), or arising from Consultant's or indemnitors' reckless or willful misconduct, or arising from Consultant's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(b) Indemnity for Other than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant, but excluding such claims or liabilities to the extent caused by the sole negligence or willful misconduct of the City.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Consultant's business, custody of the books and records may be given to City, and access shall be provided by Consultant's successor in interest. Notwithstanding the above, the Consultant shall fully cooperate with the City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is

providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the "documents and materials") prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant, and Consultant's guarantee and warranties shall not extend to such use, reuse or assignment. Consultant may retain copies of such documents for its own use. Consultant shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom. Moreover, Consultant with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for the City.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Los Angeles, State of California.

7.2 Disputes; Default.

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Consultant is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Consultant's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 et. seq. and 910 et. seq., in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the Consultant may, at its option, suspend services under this agreement during the notice period. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2. In the event services have been suspended by Consultant under this Section, any schedule shall be extended for the same time as the period of suspension and no resulting delays shall be deemed to have been caused by Consultant.

7.8 Termination for Default of Consultant.

If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.9 Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking

depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Irwindale, 5050 N. Irwindale Avenue, Irwindale, California 91706 and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Consultant and by the City Council. The

parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant's Authorized Initials _____

9.7 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is

bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF IRWINDALE, a municipal corporation

_____
H. Manuel Ortiz, Mayor

ATTEST:

_____
Laura M. Nieto, MMC
Chief Deputy City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

_____
Adrian R. Guerra, City Attorney

CONSULTANT:

ENVIRONMENTAL SCIENCE ASSOCIATES (ESA), a California corporation

By:_____
Name: Ruta K. Thomas
Title: Senior Vice President /Southern CA Regional Director

By:_____

Name: Monica Strauss
Title: Vice President
Address: 770 Paseo Camarillo # 310
Camarillo, CA 93010

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On_____ before me,_____ , Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ INDIVIDUAL
☐ CORPORATE OFFICER

_____
TITLE(S)

☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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STATE OF CALIFORNIA

COUNTY OF _____

On_____ before me,_____ , Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

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☐ INDIVIDUAL
☐ CORPORATE OFFICER

_____
TITLE(S)

☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
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EXHIBIT "A"

SCOPE OF SERVICES

I. **Consultant will prepare an updated General Plan, Housing Element, Safety Element, and development of an Environmental Justice Element, and the appropriate Environmental Review document in compliance with State law, for property City-wide, as described in the following scope of service contained in the Consultant's Proposal (herein after referred to collectively as "Services"):**

Scope of Work

The following provides our scope of work for the update of the Housing and Safety Elements of the City's General Plan, as well as preparation of a new Environmental Justice Element, and update of other elements of the General Plan for consistency.

The table below lists the tasks required for the timely completion of the Project. Following the table is a description of each of these separate tasks.

Task Description
Task A: Project Initiation and Data Collection
Task B: Existing Conditions and Needs (All Elements)
Task C: Assessment of Housing Needs
Task D: Community Engagement and Public Hearings
Task E: Preparation of Draft Housing Element
Task F: Safety and Land Use Element Amendments
Task G: Environmental Justice Element
Task H: Public Hearings, Adoption and HCD Certification
Task I: Environmental Review

Task A: Project Kick-Off and Data Collection

Upon a notice to proceed, ESA will schedule a kick-off meeting with the City to understand needs and expectations, turnaround review schedule, and communication and work flow process protocol. Setting expectations initially will promote a partnership to create a customized solution that achieves project goals and meets State requirements.

Prior to the kick-off meeting, ESA will prepare an agenda and develop a detailed list of data needs, and a timeline schedule with milestones for meeting the City's Regional Housing Needs Allocation (RHNA) requirement, City Council adoption of the Housing Element, review and certification of the Housing Element by the State Department of Housing and Community Development (HCD), and the General Plan Updates. ESA will also set up a web-based project folder accessible by all team members to store all project-related data and work products.

Task A Deliverables

- Kick-off agenda
- Detailed project schedule
- Web-based Project Folder
- Data needs list

Task B: Existing Conditions Report

B.1. Evaluation of the 2014-2022 Housing Element

For this subtask, BAE will the analyze effectiveness of the current Housing Element to identify policies or programs where the City has been successful, those that the City has had difficulty implementing, ones which have not had the desired effects, and others that may need to be updated for the next planning period. Specifically:

- BAE will request and review City staff's evaluation of, and suggested revisions to, the current Housing Element for compliance to State law, HCD requirements, and for any other possible gaps in the analysis.
- BAE will request and review staff's identification of all obsolete information, tables, exhibits and illustrations in the 2014-2021 Housing Element to ensure that information that should be removed is pinpointed, and that data that should remain is retained.
- BAE will review the City's progress towards meeting the identified goals, policies, and programs of the previous cycle 2014-2021 Housing Element, based on information on housing production and program implementation to be requested from City staff.
- Additionally, BAE will conduct a review of local resources directed toward and utilized for affordable housing. This analysis will include reviewing utilization of local and regional funds and resources, and partnerships with nonprofit organizations and other governmental entities that were exercised to create housing opportunities for the stated target populations.

B.2. Safety Element Existing Conditions

Subtask B.2a Regulatory Crosswalk

For amending the Safety Plan with respect to climate change hazards, ESA will identify the specific regulatory requirements of Senate Bill (SB) 379, SB 1241, and Assembly Bill (AB) 2140, as well as the recommendations included in the California Adaptation Planning Guide 2.0, and 2017 OPR General Plan Guidelines. This "regulatory crosswalk" will identify each section of the Safety Element that requires updating, including policy changes and updated data for maps and/or tables. These changes will be listed in the crosswalk and include the page number and recommended updates.

ESA will then review existing City plans and policies relevant to the Safety Element update, including the Public Safety Element (2008), Local Hazard Mitigation Plan (2012), the Watershed and Stormwater Management Plan, the Upper San Gabriel Valley Municipal Water District Urban Water Management Plan (2015 UWMP, or 2020 Draft UWMP if available), the Emergency Operations Plan and Continuity of Operations Plan (if available), and other plans identified by City staff during the kickoff meeting. ESA will evaluate the existing data and implementation status of the various plans and identify additional data needs. It is assumed that data will be collected from the City, outside agencies, and other relevant sources. If additional technical studies are required, ESA will identify whether a change in the scope of work may be necessary and assist the City in addressing additional needs.

ESA will compile the background information from the City's LHMP, UWMP, and other applicable plans, and graphically communicate the information on anticipated hazards and potential effects of climate change. Additionally, to meet the requirements of Government Code Section 65302(g)(4), ESA will identify communities with high proportions of vulnerable populations, such as older adults, those with limited English proficiency, and those with underlying health conditions. ESA will use the Healthy Places Index, CalEnviroScreen, and other supporting resources to provide a full assessment of the communities and their specific vulnerabilities to each hazard. ESA will organize each hazard to answer these questions:

- What is the climate-related hazard?
- When does the hazard occur and how often?
- Where in the City is most at risk from this hazard?
- Who in the City is the most vulnerable and most affected by this hazard?
- How is the City already addressing this hazard?

Subtask B.2b Hazard Profiles and Mapping

ESA will review the City's LHMP and the latest GIS data prepared by the relevant state agencies to prepare the hazards profiles and risk assessment. The hazards profile will build from the Background Report and explain where in the City the hazard has occurred historically, and the future expectations due to climate change. ESA will map the spatial extent of the following hazards:

Historic Hazards

- Seismic Hazards

- Localized Flooding
- Wildfires
- Dam Failure
- Windstorm hazards
- Drought Hazards
- Hazardous materials

Historic Hazards Influenced by Climate

- Drought
- Localized Flooding
- Wildfires

Emerging Climate-Related Hazards

- Air quality deterioration
- Extreme Heat

For non-climate-related hazards, ESA will review all new credible technical data and provide maps of the spatial extent of the hazard and historical risk. Specifically, to address seismic hazards, ESA will review seismic hazard data (e.g. liquefaction areas, age of buildings) and create a qualitative assessment of geologic hazards across the City. In accordance with the latest OPR guidance, ESA will update the climate projections based on the fourth California Climate Change assessment. Using data from the City's Local Hazard Mitigation Plan, ESA will prepare a map of critical infrastructure, including gathering points, distribution centers, and emergency facilities. In conjunction with this emergency preparedness and disaster planning map, ESA will prepare an exhibit of visible excavation routes.

ESA will collect and maintain all hazard-related GIS data in Urban Footprint, which the City will have access to through the duration of the project. Once the project is complete, ESA's GIS staff will work with the City to transfer the data to City servers.

ESA will provide the City with professional-quality prepared exhibits in ArcGIS displaying data in 8.5 x 11 PDFs for inclusion in the Safety Element Update, reports, and website.

B.3. Environmental Justice Existing Conditions Analysis

ESA will begin with mapping and data collection, including use of Cal EnviroScreen, followed by detailed analysis for each of the Environmental Justice pillars (see above), The analysis, coupled with public outreach, will form the foundation for preparing goals, objectives, policies and actions to improve the health and well-being of the Irwindale community, prioritizing actions for those in Environmental Justice Communities.

Subtask B.3a: Data Collection and Mapping

ESA will utilize multiple data sources to identify DACs, including Cal EnviroScreen, other legislative thresholds, as well as conversations with City departments and community organizations. This will serve as the basis for defining DACs in accordance with SB 1000 and the 2017 OPR guidelines; however, ESA will create custom maps for each of the six pillars of SB 1000 as detailed below in subsequent tasks. It is important to note that CalEnviroScreen designates DACs on a census tract level, which rarely aligns with recognized community boundaries. Depending on the size of the Census Tract, a designated DAC could include multiple distinct neighborhoods and communities or only represent a portion of a larger community. ESA will work with the City and community leaders to identify communities and neighborhoods that are partially or wholly within the one designated DAC Census Tract. This will help us understand the specific needs of the community at the City scale and target policy beyond the state designations. ESA will work with the City to corroborate and further refine this data directly with the DACs during the public outreach process. Promoting civic engagement for those in DACs is imperative if the City is to improve the conditions in their lives and neighborhoods.

All data ESA collects will be compiled in a GIS database using Urban Footprint. Once this database is generated and initial data from state and federal sources is input into the database, ESA will generate a list of data needs for City staff and other regional agencies as needed. ESA will maintain both the data list and data request online in an Excel-based format so that this document can be updated as data is added. The final database and data list will be passed on to the City upon completion of the project.

Subtask B.3a Deliverables:

- All background and base data, including any GIS maps and digital data files ng Sites Inventory list and figures.

Subtask B.3b: Pollution and Air Quality

ESA will prepare a health risk assessment to analyze specific pollution and health hazards spatially using a combination of local data and data from CalEnviroScreen, the Healthy Places Index, and the Census Bureau. Pollution levels will be broken up and analyzed based on the substance polluted, including air, water, and soil pollution. Safe drinking water will be analyzed based on contaminants and water quality violations. ESA's analysis of soil pollution will consider toxic releases and hazardous waste, as well as required cleanup sites, including quarries.

ESA will map each specific pollution exposure, as well as socioeconomic data that makes populations most susceptible to such hazards. For example, air pollution exposure can vary in response to both air pollution emissions and to population factors that keep people outside during periods of worse air pollution, such as taking transit to work or working outside.

ESA will review land uses, infrastructure, and policies, including those in consideration as part of the current zoning code update, in order to recommend an equitable way forward. Such policies may include project siting specifications, the capping of densities for certain facilities and uses, and infrastructure development to

improve air or water quality. We will discuss recommendations with the City and upon feedback, develop goals, objectives, policies, and action for inclusion in the Environmental Justice Element.

Subtask B.3b Deliverables:

- Health Risk Assessment
- Pollution exposure and sensitivity maps
- Draft policy recommendations

Subtask B.3c: Public Facilities

ESA will obtain spatial data concerning public facilities from City Staff, including places such as public transportation, parks, green space, community centers, grocery stores, health care facilities, child care, libraries, and cultural centers. ESA will create graphic heat maps of access to public services to quickly visualize areas of the City that can access these services on foot, bike, or other active transportation. Additionally, ESA will qualitatively analyze non-physical barriers to public facilities and services, such as the adequacy of programming and the availability of affordable or free programs that can help promote healthy lifestyles. ESA will then evaluate public facility locations, types, programming, and accessibility using an equity lens. ESA will outline recommended policies to ensure that new public facilities and services are sited equitably, and provide guidance on adding accessibility, if necessary, to public facilities already in use. We will discuss policy recommendations with the City and upon feedback, develop goals, objectives, policies, and action for inclusion in the Environmental Justice Element.

Subtask B.3c Deliverables:

- Public facilities access maps
- Qualitative assessment of non-physical barriers to be included in Environmental Justice Element Background Report
- Identification of communities in the City underserved by public facilities
- Draft policy recommendations

Subtask B.3d: Food Access

ESA will assess current healthy food sources, identifying all supermarkets, green markets, farmers' markets, food co-ops, urban farming, edible street/path/landscaping, and other stores/pantries that offer affordable, fresh, healthy food. Census tracts will be assessed and prioritized for access to low-cost, fresh, healthy food within walking and biking distance. ESA will also examine drinking water quality, assessing contaminants and water quality violations. ESA will then develop a multi-pronged policy approach that addresses access, affordability, and education. Examples of policies include the promotion of urban agriculture, farmers' markets, healthy food supply within supermarkets, food assistance programs, and more. We will discuss policy recommendations with the City and upon feedback, develop goals, objectives, policies, and action for inclusion in the Environmental Justice Element.

Subtask B.3d Deliverables:

- Healthy foodshed and food desert maps
- Draft policy recommendations

Subtask B.3e: Safe and Sanitary Homes and Neighborhoods

Using existing and in-progress Housing Element data (see Tasks C and E), census data, code requirements and enforcement, street and sidewalk condition and connectivity, and other health and housing data, the ESA team will identify environmental justice issues related to housing and neighborhood safety. Factors impacting an individual's health and safety in a living situation will be assessed, including housing habitability, surrounding land uses and transportation infrastructure in relation to safety, lead- based paint, and air conditioning access. Each of these factors can inform ESA on the current housing stock, and where the most vulnerable families might be located in terms of housing.

The ESA team will also assess the cost of housing, including homeownership, low-income homeowner housing cost burden, and low-income renter housing cost burden. These factors can be used as indicators of displacement risk. After reviewing current policies, ESA will recommend policies for affordable, safe, and sanitary living conditions and neighborhoods. We will discuss recommendations with the City and upon feedback, develop goals, objectives, policies, and action for inclusion in the Environmental Justice Element.

Subtask B.3e Deliverables:

- Displacement Risk Assessment
- Housing Habitability Assessment
- Neighborhood Safety Assessment
- Draft policy recommendations

Subtask B.3f: Health and Physical Activity

Health and physical activity are related to all of the topics previously discussed. Healthy air, safe and convenient access to parks, schools and recreational facilities, and healthy food sources, as well as safe homes and neighborhoods all impact people's health and the amount that they exercise. In addition to the data gathered under previous subtasks, the ESA team will obtain current information and data to analyze transit accessibility, walkability, and access to parks, schools and recreation. The layout and safety of the transportation network can have a significant impact on the travel choices people make, and thus on levels of physical activity, air pollution, and social capital in a community. ESA will also examine the spatial distribution of asthma, cardiovascular disease, diabetes, and obesity rates. Each of these factors will be converted into long-term objectives for a healthier vision of the City.

Policy recommendations will be developed to facilitate the reaching of these objectives. We will discuss recommendations with the City and upon feedback, develop goals, objectives, policies, and action for inclusion in the Environmental Justice Element.

Subtask B.3f Deliverables:

- Health risk factors maps
- Maps of communities with limited access by walking, biking, or other active transportation
- Draft policy recommendations

Subtask B.3g: Civic Engagement

Based on the public outreach conducted during the planning process and described in Task D, this task will focus on summarizing the results of the outreach effort and how it led to an understanding of the DACs, their needs, concerns, and local issues, including issues of access and barriers to civic participation opportunities as referenced in Task D.2. ESA will then recommend policies and programs to help promote civic engagement in public decision making in the DACs moving forward to advocate and affect change in their community. The City can employ many actions and strategies to increase communication and it can empower the residents to speak up and get engaged in their local government. For example, the City can reach out specifically in the form of City Council visits, City- initiated community meetings, City Hall open houses, and focused appointments to boards and commissions. It is equally important to make sure that residents know how to reach their City officials and staff and what programs are available to them. These actions can increase inclusiveness, transparency, and participation in local affairs by those who can benefit the most. We will discuss recommendations with the City, and upon feedback, develop goals, objectives, policies, and action for inclusion in the Environmental Justice Element. This subtask will be completed once all community engagement has taken place.

Subtask B.3g Deliverables:

- Summary of public outreach process
- Draft policy recommendations

Task B Deliverables

- B.1: Evaluation of prior Housing Element section of Housing Element Update, including participation in team meetings with the City discussing the prior Housing Element
- B.2: Safety Element Regulatory Crosswalk and Existing Conditions Analysis
- B.3: Environmental Justice Existing Conditions Analysis

Task C: Assessment of Housing Needs

For Task C, BAE will compile and analyze the data needed to prepare an updated Housing Needs Assessment, an updated Site Analysis, and a Housing Production Constraints Analysis.

C.1: Housing Needs Assessment

BAE will prepare a Housing Needs Assessment that documents existing and anticipated future housing needs within the City of Irwindale. The demographic, economic, infrastructure, and housing data collected will allow for analysis of both socioeconomic and housing market trends.

The analysis will be structured in alignment with the HCD Building Blocks and other relevant guidance. The data will include City of Irwindale and the County of Los Angeles population, resident, and household demographics, and household and employment growth trends. The main data sources will be available data products published by the U.S. Census Bureau, as well as information published by HUD, and the Southern California Association of Governments (SCAG). The needs assessment will also provide a comparison between historical and projected population, household, and employment characteristics and the current RHNA published by SCAG.

In addition to the socioeconomic trends analysis, BAE will document current and historical housing market conditions and trends within the City of Irwindale, as well as Los Angeles County. This activity will include an evaluation of existing housing stock characteristics, including the distribution of units by type and age, as well as vacancy and pricing trends. BAE will use the HUD Comprehensive Housing Affordability Strategy (CHAS) dataset to document the number and percent of households that suffer from overpayment and/or overcrowding, by tenure and income level. The analysis will also identify the inventory of existing assisted housing developments that are anticipated to be at risk for conversion to market rate within the next ten years.

Per the HUD Building Blocks, BAE will also evaluate the relative housing needs of a variety of special needs populations, including farmworkers, large families, female-headed households, people experiencing homelessness, people with disabilities including the developmentally disabled, and seniors. City staff will identify any additional local special needs populations that should be analyzed. The analysis will rely on a variety of data sources, as prescribed by HCD and utilize various Census Bureau data products, among other sources.

In recognition of the new requirements under AB 686 to Affirmatively Furthering Fair Housing (AFFH), BAE will add a supplemental data component to the Housing Needs Assessment so that staff can evaluate patterns of segregation and impediments to fair housing choice within the City of Irwindale. The analysis will rely on data published by the U.S. Census Bureau and HUD to identify patterns of racial and ethnic integration. This will include identification of Racially and Ethnically Concentrated Areas of Poverty (RCAPs and ECAPS) and calculation of indexes of isolation and dissimilarity. BAE will also request information on fair housing complaints from the City of Irwindale, the HUD Office of Fair Housing and Equal Opportunity, and the California Department of Fair Employment and Housing, and information regarding hate crimes from the Federal Bureau of Investigations and the Irwindale Police Department. Lastly, BAE will request information from the City of Irwindale regarding the availability of fair housing services, education, and outreach, and will conduct up to four interviews with fair housing advocates and service providers to discuss local impediments to fair housing choice.

C.1 Deliverables:

- Relevant socioeconomic data in raw format and formatted as tables appropriate for the Housing Element Update with brief narrative analysis
- Relevant housing market data in raw format and formatted as tables appropriate for the Housing Element Update with brief narrative analysis
- Relevant demographic, economic, and infrastructure data in raw format and formatted as tables appropriate for the Housing Element Update with brief narrative analysis, including GIS layer and shapefiles
- Written AFFH analysis, including summary of interviews
- Meetings
- Review of data and any associated write-ups will occur during the bi-weekly project meetings.

Subtask C.2a: Adequate Sites Analysis

BAE will provide an updated sites inventory for inclusion in the Housing Element update. The updated sites inventory will demonstrate how the City of Irwindale can fully accommodate its RHNA within the new Housing Element planning period with land suitable for residential development. In order to address the "no net loss" provisions of Government Code Section 65863, the inventory will include sites sufficient to accommodate more housing than required by the City's RHNA.

BAE will evaluate the existing housing sites inventory, the adopted General Plan, and relevant specific plans in order to adequately identify existing capacity for residential and mixed-use zoned sites that could potentially meet the City's RHNA requirement. Further, BAE will work with the City to complete an analysis of non-vacant residential and mixed-use sites to address a portion of the RHNA, including the development potential within the planning period by considering the extent that a non-vacant site's existing use impedes additional residential development, the City's past experience converting existing uses to higher density, market trends and conditions, and regulatory or other incentives/standards that encourage additional housing development on non-vacant sites. The inventory will include the identification of how many units are feasible on each residential and mixed-use zoned site and what income category they are appropriate for based on state approved methodology.

With the current housing sites inventory as a starting point, BAE will work with the City to determine which sites are viable RHNA sites to meet housing targets based on new state law requirements, including, but not limited to:

- Conduct additional analysis for residential and mixed-use zoned sites no smaller than one-half acre, larger than 10 acres;
- Conduct additional analysis for underutilized residential and mixed-use zoned sites;
- Identify residential and mixed-use sites included in the past two housing element cycles that are now required to allow affordable housing by-right;
- Identify if residential and mixed-use zoned sites are publicly owned; and
- Indicate whether a residential and mixed-use zoned site has available or planned and accessible infrastructure.

BAE will incorporate existing HCD guidance to coordinate the sites inventory process through the lens of the Affirmatively Furthering Fair Housing (AFFH) requirements and identify any necessary remediation with input from BAE. Such requirements will determine the extent to which locations of sites proposed are to be made available for housing development that will help to affirmatively further fair housing in compliance with AB 686. Finally, BAE is prepared to comply with anticipated HCD guidance requiring the submittal of the sites inventory in electronic form, along with its inclusion in the Housing Element update. The BAE team will provide a Housing Sites Inventory list for inclusion in the draft section of the Housing Element.

If suitable sites to meet the City's RHNA are not able to be identified through the inventory of appropriately zoned vacant and non-vacant sites, then additional analysis will be conducted. This analysis will include evaluation of changes to City zoning to accommodate additional units including increasing densities, increasing building heights, re-designating/rezoning additional sites or other techniques.

To the extent to which the City is unable to identify adequate sites, BAE will work with the City to develop a Housing Element program for post-adoption implementation. This program would commit the City to create additional housing development capacity through a strategy or strategies, such as rezoning, such that the City can accommodate the unmet RHNA within three years of adoption.

Subtask C.2b: Housing Production Constraints Analysis

Per the HCD Building Blocks for Housing Elements, BAE and ESA will identify and analyze potential and actual governmental and nongovernmental constraints to the maintenance, improvement, preservation, and/or development of housing for households at all income levels, including housing for persons with disabilities.

The analysis will identify the specific standards and processes that constitute constraints and evaluate their impact on the supply and affordability of housing in Irwindale. The analysis will also determine whether local regulatory standards pose an actual or perceived constraint and will identify existing efforts and other possible approaches to remove them. The categories of governmental opportunities and constraints evaluated will include:

- Adopted codes and code enforcement measures;
- On- and offsite improvement standards;
- Adopted fees and exactions;
- Land-use controls;
- Infrastructure limitations;
- Environmental constraints;
- Processing and permitting procedures; and
- Other applicable City policies and programs to be identified in consultation with City staff.
- The non-governmental constraints analysis will cover topics including land costs, construction costs, and the availability and complexity of financing. To identify opportunities, constraints, and potential approaches to overcoming constraints, the BAE team will interview staff from several departments, including Public Works, Community Development, and City Manager's Office.

C.2 Deliverables:

- Housing Sites Inventory list and figures.
- Up to three interviews with various City Departments.
- Draft Analysis of Housing Opportunities and Constraints
- Final Analysis of Housing Opportunities and Constraints

Task D: Community Engagement and Public Hearings

D.1 Project Meetings

Regular project meetings between the City and the Consultant team ensure that the project stays on time, on budget, and on schedule. Project meetings are a critical tool for the City and the consultant team to relay important information between parties and to address issues as they arise.

D.2: Public Outreach - Three Community and Stakeholder Meetings

Our team will engage the Irwindale community in multiple ways. With input from the City and from Community Based Organizations, ESA will select several organizations to interview and gather their insights on current and historical conditions and concerns, as well as on next steps for improvements in all the key areas of Environmental Justice. In some cases, the leader of a City organization, such as the Senior Center or Community Center, may be a good source of initial information as well. As we speak with these leaders, we will also solicit suggestions for maximizing participation in surveys and outreach events for all segments of Irwindale's disadvantaged communities. We will then reach out to the identified communities through a survey and through three community meetings. ESA will take the lead on crafting the survey, with input from the City and other team members. Stakeholders will have many opportunities to complete the survey, at Community events, meetings, and online.

Place It!, our team's community engagement experts, will conduct the three community meetings, to include visioning activities, a walking tour, and model building workshops. As the content expert for housing, BAE will participate in planning the activities and presenting the program for the three community stakeholder meetings. ESA will work with Place It! to ensure the meetings yield the essential community input on all six pillars of Environmental Justice. These meetings can be arranged virtually or in person, if allowed by public health standards. At these workshops BAE will present Housing Element Update research to date, such as opportunities and constraints, potential programs and policies, and will solicit feedback and ideas from Commissioners and Council members.

D.3 Public Outreach – Survey Development and Analysis

The ESA team will work with the City to develop a survey that will complement the Stakeholder Meetings and allow for more public participation on the topics of housing, safety and environmental justice. ESA will host the survey and analyze it for community input into the development of the Housing, Safety and EJ Elements.

D.4 Public Outreach – Content Coordination and Support for Website

The City scope of work indicates that a website or web pages will be developed to provide the community with an overview of the planning process, next steps, and ways to participate. The ESA team will support the City with content for the website or web pages when they are developed.

D.5 Informational Workshop with Planning Commission and City Council

The ESA team will assist the City in the preparation and facilitation of a joint informational workshop and study session with the Planning Commission and City Council. This will provide an opportunity for decision makers to receive an update on the project and community engagement input, and review and provide comments on the draft Elements prior to the public hearings.

Task D Deliverables:

- Three Community and Stakeholder Meetings (assumes virtual, given COVID-19 health mandates)
- Survey, link to online platform, and analysis of survey results
- Content for City website or web pages associated with the Housing Element community outreach
- One Joint Planning Commission and City Council Informational Workshop (assumes virtual, given COVID-19 health mandates)

Task E: Preparation of Draft Housing Element

E.1: Prepare Draft Housing Element

This task involves compiling the various components of the Housing Element analysis into a single document that is formatted to HCD standards, provides consistent findings, and reflects staff and community input.

Administrative Draft Housing Element Update

Considering the broad scope of the Housing Element Update, it makes sense to conduct ongoing reviews of consultant team-drafted Housing Element Update sections separately and sequentially. BAE will provide preliminary draft work products for review by City staff as work progresses.

Public Review Draft Housing Element Update

Building from the series of public workshops and dialogues with the community and stakeholders up until this point, BAE and ESA will work with the City staff to review comments and suggestions. For outreach, we will utilize a list of organizations, institutions, community groups, and community members to be provided by the City. The ESA team will conduct public outreach and notification of the public availability of the first draft of the Housing Element Update. BAE will work with the City staff to review and consider how to integrate public comments that are received.

Public Noticing

Following the statutory noticing requirements for Housing Elements and General Plans, based on a list provided by the City, the BAE team will prepare and carry out all public noticing and required consultations and notifications for General Plan Updates per the local and State regulations. The ESA team will work with City communications staff to the extent they are available, to incorporate announcements into City print and electronic publications and on City websites. BAE will work with the City staff to review and consider how to integrate public comments that are received. BAE will incorporate comments as appropriate in the Housing Element Update.

E.2: Update housing, population, demographic, employment data

(see Task C.1 above)

E.3: Assessment of housing market conditions

(see Task C.1 above)

E.4: Analysis of housing opportunities and suitable sites

(see Task C.2 above)

E.5: Housing Goals, Policies, and Quantified Objectives

The development of quantified objectives is the key deliverable that the Housing Element will work toward throughout the process. Analyzing past outcomes, defining the community's current housing circumstances, understanding opportunities and constraints, identifying properties for future housing development, and gathering input from a variety of community stakeholders, will all lead to establishing the City's housing development goals for the 2021-2029 Housing Element planning cycle. Some of these findings will lead to updates to existing objectives, while others will generate new ideas and goals aiming to meet the City's RHNA requirements.

Throughout the Housing Element contract, BAE and ESA will be working with the City and community to develop housing goals and objectives. BAE will maintain a running list of potential goals and objectives, which will evolve into definitive goals and objectives by the end of the process.

Task E Deliverables:

- Housing Element report section assessing the proposed programs and determining the potential number of housing units that would be produced if the proposed programs are fully implemented during the planning period.
- Preliminary draft work products in Microsoft Word format for City staff to redline.
- Meetings
- Discussion and review of Housing Element section drafts will occur during the bi-weekly project meetings.
- Electronic copy of Administrative Draft 2021-2029 Housing Element in Microsoft Word format
- Electronic copy of Public Draft 2021-2029 Housing Element in Microsoft Word format
- Statutory Noticing Requirements List
- Public Outreach and Notification of Draft and Final Housing Element Updates (the ESA Team)
- Updated maps and associated GIS files

Task F: Safety and Land Use Element Amendments

F1: Safety Element Amendments

ESA will build on the previous tasks and prepare goals related to climate change based on the findings of the previous tasks. From these goals, ESA will create measurable objectives that can be linked to data that the City already collects or that is being included in the data being generated. From these objectives, ESA will create goals and policies that can be seamlessly integrated into City policy, focusing on modification to existing policies and new policies that minimize risk associated with climate change. These goals and policies will be compared to the OPR guidelines, FEMA requirements, CalOES, and AB 2140 requirements to outline how the plan meets these requirements.

ESA will develop clear actions to implement the goals and policies. These actions will be included in an Implementation Action Table. This table will outline which hazards the actions address, the City or partner agency responsible for implementation, relative cost, timeframe, and future tracking. Future tracking will outline environmental or legislative changes that would support or inhibit implementation of the action.

ESA will complete an Administrative Review Draft of the Safety Element Amendments, and after receipt of City comments, prepare a Public Review Draft for review by City officials, agencies and the public. This draft will be a complete and formatted document that includes concise visuals and sidebars explaining relevant state statutes, infographics explaining complex scientific or planning concepts, and relevant maps. The document will follow a format that meets Cal OES-review and FEMA-approval requirements and guidance. ESA will work closely with state and local staff to ensure the element is adequately addressing state comments and can be certified. This draft will be prepared for submission to the California Geological Survey. Upon positive notification, the document will be sent to Cal OES for review. Upon positive notification from Cal OES, the document will be sent to FEMA for comment, input, and approval. ESA will incorporate and otherwise address FEMA's concerns and questions during this comment period.

Upon receipt of a collective set of comments from the City, agencies and public, ESA will then prepare a final Safety Element that responds to comments. ESA will coordinate closely with the City to ensure the plan meets all state requirements as well as direction from City staff and officials. In conjunction with City staff, ESA will time public hearings so that important meetings with decision makers serve as responses to comments from Cal OES to ensure timely and efficient adoption of a clear and legally defensible Safety Element Update.

F2: Land Use Element Amendments

ESA will prepare land use map amendments and associated change of zones as needed for an update to the City's land inventory and for any Housing Element rezoning program implementation necessary to meet the City's RHNA requirement. ESA will prepare an Administrative Draft land use map and text amendment, and after receipt of City comments, prepare a Public Review Draft for review by City staff and the public. Upon receipt of a collective set of comments from the City and public, ESA will then prepare a final Land Use Element that responds to comments from the public, City staff, and City officials.

Task F Work Products

- Electronic copy of Administrative Draft Safety Element and Land Use Element Amendments in Microsoft Word format
- Electronic copy of Public Review Draft Safety Element and Land Use Element Amendments in Microsoft Word format
- Electronic copy of Final Safety Element and Land Use Element Amendments in Microsoft Word format

Task G: Environmental Justice Element

G.1: Draft Environmental Justice Element

Using the data collected in the previous seven tasks, ESA will draft the Environmental Justice Element. This Element will include goals around the six pillars of SB 1000, and use data-driven policy recommendations vetted by City staff to create targeted objectives, policies, and implementable actions. ESA will work with local community organizations during policy development to ensure that the Environmental Justice Element meets the specific needs of the community members of Irwindale. ESA will also work with the City and, as needed, with the Zoning Ordinance consultant to ensure that all policy is connected and does not create any conflicting direction for the City.

G.1 Deliverables:

- One unformatted word document draft with graphics

G.2: Public Review Draft of Environmental Justice Element

ESA will incorporate input from the City and Community Organizations into a draft for public review online and at the December Public Hearing or other agreed-upon meeting(s).

G.2 Deliverables:

- One Formatted Public Review draft of Environmental Justice Element

G.3: Final Implementation Workshop & Final Environmental Justice Element

ESA will present the pre-final draft Environmental Justice Element, with changes from public review draft incorporated, at a Final Implementation Workshop, where Community Organizations, City officials, and the Irwindale community will offer any last comments on the EJ Element, confirm EJ commitments and procedures going forward, and memorialize lessons learned from the outreach and engagement process.

G.3 Deliverables:

- One Formatted final draft of Environmental Justice Element
- Notes on lessons learned

Task H: Public Hearings, Adoption, and HCD Certification

To complement the public engagement process, the ESA team will facilitate three community stakeholder workshops and one joint workshop for the Planning Commission and City Council informational session, as described in Task D. To facilitate City approval of the Housing Element and related General Plan updates, the ESA team will also present at two Planning Commission hearings and one City Council hearing. After approval, the ESA team will submit the final work products and facilitate HCD certification of the Housing Element.

To ensure robust opportunities for the community and policy makers to provide public input to the Housing Element update process, the ESA team will work with City staff to facilitate the Planning Commission and City Council hearings, including assisting with the preparation of staff reports, presenting information, responding to questions, and receiving comments.

H.1 Planning Commission Meetings

The ESA team and City staff will solicit Planning Commission direction for any desired changes to the Housing Element and related General Plan Elements. After making changes, the ESA team will submit the revised Draft Housing Element Amendments to HCD for its statutory review. After receipt of HCD comments on the Draft Housing Element Update, the ESA team will coordinate with City staff to identify necessary revisions to the Draft Housing Element Update and bring the revised Draft Housing Element documents back to the Planning Commission in order to address any residual questions or concerns and to secure their recommendation that the City Council adopt the Housing Element Update.

H.2 City Council Hearing

The ESA team will then coordinate with City staff to present the revised Housing Element Update and related General Plan Update documents to the City Council for adoption. The ESA team will assist City staff in preparation of the staff report and presentation materials. At the hearing the ESA team will solicit input from the public and from the City Council. To the extent that the Council directs staff to make modifications to the documents as part of the adoption proceedings, the ESA team will incorporate the changes into the documents, and submit the adopted Housing Element Update to HCD for its certification review.

The ESA team will plan to attend up to three public hearings held by the Planning Commission or City Council, or both. To reduce redundant efforts, most of the materials produced for the City Council and Planning Department would be produced in conjunction with the public workshops. If requested, ESA can create a fact sheet for the City Council and Planning Commissioners.

H.3 HCD Submittal and Certification

Following public review and comment period, BAE will prepare the Final Draft Housing Element Update in response to comments from State HCD, responsible agencies, City staff, the Planning Commission, City Council, and the public.

Upon adoption by City Council, BAE will prepare a final adopted version with the date of adoption prominently displayed on the front cover and throughout the document to distinguish it as the official document from other prior draft versions of the Housing Element. BAE will prepare and submit the adopted Housing Element Update to HCD for final review and certification and for inclusion in the General Plan. BAE will work closely with HCD and the City to ensure that the City meets State requirements and will recommend modification to the adopted Housing Element, if required in order to obtain certification.

Task H Deliverables:

- Attendance and materials for two (2) Planning commission hearings (assumes virtual, given COVID-19 health mandates)
- Attendance and materials for one (1) City Council hearings (assumes virtual, given COVID-19 health mandates)
- Project fact sheet tailored to Planning Commission and City Council
- Project PowerPoint Presentation providing a brief overview of each element, a summary of the public input received to date, and a summary of key policy and program changes reflected in the Housing Element Update.
- Electronic versions of the final documents
- Submittal of the Final Housing Element Update to HCD and facilitation of certification
- BAE will shepherd the final version review process by HCD, answering agency questions and facilitating City responses as needed.

Task I: Environmental Review

The approach of the ESA project team to the environmental review is based on meeting the following objectives:

- Serving as a key element of the project team to anticipate controversial issues, provide unbiased recommendations, devise solutions to potential impacts and/or other issues that may arise, and provide expert planning, policy, and environmental compliance consultation
- Committing senior management to the project to provide close coordination with, and accessibility to, the project team to ensure technical accuracy, document objectivity, and legal defensibility
- Complying with CEQA, the current State CEQA Guidelines, as well as current case law, and serving as a public educator of CEQA and the CEQA process
- Complying with all unique City processing requirements
- Responding to all significant issues of concern raised by the various governmental agencies, private entities, individuals, and community groups
- Submitting all required deliverables within the mutually agreed upon time frames

In accordance with the City's RFP, and because of the possibility that one or more impacts may be unmitigable after further comprehensive analysis, the following scope of work includes a scope of work to prepare an Environmental Impact Report (EIR). ESA will use any information provided about the project area and proposed project, as well as other available information, to prepare environmental analyses in accordance with the current CEQA statute and guidelines, as well as any guidelines put forth by the City. Other available information could include other CEQA documents recently prepared for area projects (as applicable). Being able to rely on recent (applicable) information and analyses included in previously prepared environmental documents will allow us to recognize time and cost efficiencies. ESA will take full responsibility for project initiation and organization, data compilation, impact assessment, development of mitigation measures (as needed), report compilation, monitoring and review for CEQA adequacy, attendance at public meetings, study sessions, and hearings, response to public comments, coordination of the internal project team, and preparation of a Mitigation Monitoring and Reporting Program (MMRP).

Report format and content will be in full compliance with CEQA (as amended through the date of submittal of the draft environmental document), the State CEQA Guidelines (also as amended through the date of submittal of the draft environmental document), and the City's environmental guidelines and procedural requirements. General organization of the environmental document will include a discussion of existing conditions, potential direct and indirect/secondary environmental impacts, and the recommendation of mitigation measures (as needed) for each affected issue area. To present information in a concise and easily understood format, text will be supplemented with graphics, charts, maps and tables in an 8½ x 11 inch size, unless a larger format is critical to the readability of the document. All final work products will be submitted in electronic format and will be prepared using Microsoft Word and other formats (i.e., PDF) that are compatible with the City's software applications. Additionally, in order to recognize cost efficiencies and save resources, there will be no printing of draft work products and minimal printing of final work products. All documents shall be the property of the City of Irwindale.

I.1 Participate in Project Startup Activities

ESA will attend one virtual environmental review kick-off meeting with representatives from the City of Irwindale. The purpose of this kick-off meeting is to compile the relevant background data and reports; clearly define the proposed project for the purposes of the environmental analysis; begin to compile a list of cumulative projects; discuss the project schedule and important assumptions for achieving the schedule; identify all anticipated discretionary actions; establish early communication among various project team members, as well as the protocols for ongoing communication; and to familiarize the ESA project team with the issues and concerns that the project team determines to be important issues for analysis in the environmental document. Based on the discussions and issues raised during the kick-off meeting, the ESA project manager will refine the scope of work, schedule, and budget, as necessary.

I.1 Deliverables

- Participate in one (1) virtual kick-off meeting
- Submit one (1) written request for additional information, if necessary

I.2 Conduct Preliminary Technical Analyses

Subtask I.2a Prepare Air Quality, Greenhouse Gas Emissions, and Energy Analyses

Air Quality

The City's current General Plan includes a stand-alone Housing Element that sets forth a number of programs to implement the City's housing plan. ESA will review the existing air quality conditions and the adopted General Plan and other significant plans, goals, objectives, and policies related to air quality resources as a foundation for the analysis of the Housing Element General Plan Update.

ESA will prepare an air quality technical analysis that will identify potential air quality impacts associated with construction and operational activities from implementation and buildout of projects that could occur as a result of the adoption of the Housing Element General Plan Update with the understanding that subsequent environmental review may occur as future project-specific development proposals are initiated. ESA will summarize the existing air quality setting, attainment status with respect to the federal and state ambient air quality standards, and the local ambient pollutant concentrations based on recent air quality data from the nearest South Coast Air Quality Management District (SCAQMD) monitoring stations. We will also summarize the applicable Air Quality Management Plan (AQMP) and emission reduction policies and strategies relevant to the Housing Element General Plan Update.

Future development under the Housing Element General Plan Update could result in criteria air pollutant emissions from construction and operation. The primary sources of emissions during construction would be from heavy-duty construction equipment, haul trucks, and fugitive dust. The primary sources of emissions during operation would be from motor vehicles traveling to, from, and within the Housing Element General Plan Update area, energy usage (e.g., natural gas combustion), and evaporative sources (e.g., paints and consumer products). Specific construction emissions cannot be accurately quantified because individual projects are not being proposed and an overall construction schedule is not available. Therefore, the analysis of construction impacts will be based on consistency with recommended construction best management practices and best control measures, including compliance with SCAQMD

Rule 403, which includes measures to reduce fugitive dust, and other State regulations to reduce emissions from trucks and heavy equipment. Operational impacts will be assessed using performance standards based on how the project handles future growth in population and vehicle miles traveled for residential land uses within the Housing Element General Plan Update area as well as projections of future development allowed under the Housing Element General Plan Update and building energy efficiency standards and requirements.

Future development could result in increased traffic on local roadways. We will review the traffic impact report for the Housing Element General Plan Update and provide a screening CO Hotspots analysis to determine whether local CO concentrations at roadway intersections could potentially exceed the ambient air quality standards.

Development at housing opportunity sites could also increase exposure of sensitive uses to localized air pollutant or toxic air contaminant (TAC) emissions. Residential and mixed-use residential/commercial land uses do not typically emit substantial sources of TACs; however, some residential or mixed-use residential/commercial uses may have stationary uses such as emergency generators. Emergency generators operated by diesel fuel may emit some level of emissions. Both the California Air Resources Board (CARB) and SCAQMD recommend that lead agencies consider land use compatibility in the context of air quality by not placing land uses that emit TACs near sensitive land uses such as schools, whenever possible. The CARB *Air Quality and Land Use Handbook* recommends that land use developments incorporate buffer distances between sensitive receptors and sources of TACs. We will assess the Housing Element General Plan Update land use designations and list of allowed uses for the area and determine the potential for sensitive individuals to be exposed to increased levels of TACs in accordance with CARB and SCAQMD recommendations.

Similarly, sensitive individuals may be exposed to nuisance odors if located directly upwind from odorous emissions. The CARB *Air Quality and Land Use Handbook* and SCAQMD CEQA Guidelines include a list of common sources of odors and provide screening distances for these sources. Sensitive receptors within the screening distances could potentially experience odor/nuisance impacts. We will review the uses allowed by the development code and land use designations and determine if the Housing Element General Plan Update could contain uses that would generate odorous emissions that may impact sensitive individuals.

The potential for cumulative air quality impacts will be based on the Housing Element General Plan Update's consistency with growth projections for the region. If the Housing Element General Plan Update would not exceed the growth projections, it will be considered to be consistent with air quality planning for the region. If significant impacts are identified for any of the above items, ESA will recommend applicable and feasible mitigation measures to reduce the impacts and reassess the impacts after mitigation. ESA will also evaluate potential air quality impacts from alternatives as required by CEQA.

Greenhouse Gas Emissions & Energy

The City's current Housing Element does not include a Greenhouse Gas (GHG) or Sustainability analysis. ESA will conduct GHG and energy analyses that will identify potential GHG and energy impacts associated with construction and operational activities from implementation and buildout of projects that could occur as a result of adoption of the Housing Element General Plan Update. ESA will review the existing GHG and energy conditions and relevant plans, goals, objectives, and policies related to GHG emissions and energy efficiency as a foundation for the analysis of the Housing Element General Plan Update. ESA will

also summarize relevant GHG regulations and reduction plans, such as California Health and Safety Code (HSC) Division 25.5 (California Global Warming Solutions Act of 2006), including the statewide 2030 GHG reduction target and 2017 Climate Change Scoping Plan, the Southern California Association of Governments (SCAG) Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), and Senate Bill 375.

The generation of GHG emissions from future development under the Housing Element General Plan Update would primarily result from motor vehicles and energy use from residential or mixed-use residential/commercial development. The GHG emissions from buildout of the projected number of residential units and other associated uses will be presented along with an overview of the methodology used to calculate them. ESA anticipates estimating GHG emissions using a similar methodology as the air quality analysis. General Plan policies and measures that would reduce GHG emissions will be described and included as part of the analysis. The 2017 Climate Change Scoping Plan discusses possible GHG efficiency levels that local jurisdictions may consider in their GHG and climate change policies. ESA will discuss with the City the possible GHG efficiency levels in the 2017 Climate Change Scoping Plan and, based on those discussions, recommend an appropriate analysis metric for the GHG emissions.

In addition to an emission-based analysis, the State CEQA Guidelines require projects to evaluate its consistency with applicable plans, policies, and regulations that have been adopted for the purpose of reducing GHG emissions. The analysis will consider the applicable policies and measures proposed within the General Plan and compare them with applicable GHG reduction measures recommended by the State (e.g., CARB) and regional agencies (e.g., SCAG RTP/SCS). In particular, ESA will assess consistency with vehicle miles traveled targets in the SCAG RTP/SCS. If significant impacts are identified for any of the above items, ESA will recommend applicable and feasible mitigation measures to reduce the impacts and reassess the project after mitigation. Mitigation measures will be carefully crafted to provide flexibility in application, so as not to become obsolete as regulation and technology evolves over the life of the Housing Element General Plan Update.

Section 21100(b) of the State CEQA Guidelines requires that an EIR include a detailed statement setting forth mitigation measures proposed to minimize a project's significant effects on the environment, including but not limited to measures to reduce the wasteful, inefficient, and unnecessary consumption of energy. Appendix F of the State CEQA Guidelines states that, in order to ensure that energy implications are considered in project decisions, the potential energy implications of a project shall be considered in an EIR, to the extent relevant and applicable to the project. In accordance with Appendix F of the State CEQA Guidelines, ESA will include relevant information and analyses that address the energy implications of the Housing Element General Plan Update. ESA will provide a summary of the anticipated energy needs at full buildout conditions, impacts, and conservation measures, and potential electricity and natural gas demand. ESA will also describe policies, design standards, and mitigation measures that would reduce the wasteful, inefficient, and unnecessary consumption of energy.

Subtask 1.2b Prepare Noise Impact Analysis

The City's current General Plan includes a stand-alone Housing Element that sets forth a number of programs to implement the City's housing plan. ESA will review the existing noise conditions and the adopted General Plan and other significant plans, goals, objectives, and policies related to noise as a foundation for the analysis of the General Plan Update. Significant noise generators in the City include San Bernardino International Airport, Interstate 210, Interstate 605, arterial roadways, railroads, and quarry/industrial/warehouse land uses. Area roadways and non-residential uses within the City could also

be considered to be secondary noise sources. The existence of existing quarry/industrial/warehouse or other non-residential operations within the City that may continue operation as other properties are developed will also be considered in this section.

ESA will identify sources of noise in the city and prepare a summary of the federal, state, and local regulatory framework applicable to noise. A noise survey will be completed through long-term (24-hour) and short-term (15-minute) noise measurements at up to 20 locations (up to 4 long-term and up to 14 short-term or up to an equivalent combination thereof in consultation with the City). ESA will prepare existing noise contours along major freeway/highway, primary arterials and major streets, and around the CEMEX-Azusa Quarry. Existing noise contours will be developed based on existing ambient noise data and computer noise model. The traffic noise model will be based on computer noise prediction models that incorporate Federal Highway Administration (FHWA) Traffic Noise Model (TNM). ESA will work with the City to incorporate applicable federal and/or State noise policies, as well as adopt new noise policies that fit the City's unique conditions.

To ensure that the General Plan Update limits the exposure of the community to excessive noise levels in noise-sensitive areas and at noise-sensitive times of day, noise sources and projected noise based on future conditions will be documented and mapped. These existing and future noise contour maps will be used to evaluate land use compatibility for both transportation and stationary (if applicable) noise sources and will identify areas subject to significant noise in the future. Methods to attenuate noise to reduce potential noise exposure will be identified. Adoption of the Housing Element and General Plan Update may accommodate new construction that would be considered noise-sensitive receptors (i.e., residential, schools, etc.), and may also include additional noise sources that could affect existing and/or future noise-sensitive receptors in the City.

A noise technical report will be prepared to support the Housing Element and General Plan Update. The report will incorporate the noise background report into the noise technical report to describe the existing noise conditions that will inform the EIR and will also be used to define the noise foundation for the analysis of the Housing Element and General Plan Update. ESA will work with the City to develop noise goals, policies, and objectives to help protect health and minimize noise impacts from transportation and stationary and mobile sources on existing land uses and future land use development. For informational purposes, this section will include an assessment of the noise benefits of the Housing Element and General Plan Update with respect to the currently adopted Noise Element of the General Plan. ESA will work with the City to incorporate applicable federal and/or State noise policies, as well as adopt new noise policies that fit the City's unique conditions.

Activities associated with implementation of the General Plan Update that would affect the ambient noise environment is based upon various factors: 1) the proximity of noise-sensitive uses (e.g., residences), 2) the character of project noise sources (impulsive versus constant), 3) the temporal distribution of project-related noise (e.g., daytime versus nighttime, daily versus special event), 4) the presence or absence of intervening structures, 5) existing ambient noise levels, and 6) the importance of "quiet" to the community as reflected in the noise/land use compatibility guidelines contained in the Housing Element and General Plan Update. ESA will assess noise impacts with reference to the change in noise levels at noise-sensitive locations and with reference to noise/land use compatibility guidelines contained in the Housing Element and General Plan Update.

Policies provided in the proposed Housing Element and General Plan Update and standard City requirements will be evaluated as to their effect of mitigating or avoiding any potentially significant effects.

Based on City noise standards, required mitigation measures (barrier locations and heights, if required) will be identified. Additional mitigation measures will be proposed if needed to reduce any significant effects. ESA will also evaluate potential noise impacts from alternatives as required by CEQA. For the purposes of this scope, it is assumed up to three alternatives will be analyzed at a lesser level of detail (i.e. comparative, not refined quantitative analyses).

The Housing Element Update noise study will identify new housing plan areas to minimize and mitigate noise impacts on noise sensitive receivers due to excessive noise. ESA will work with the City to incorporate applicable federal and/or State noise policies, as well as adopt new noise policies that fit the City's unique conditions.

ESA will summarize and incorporate the findings of the technical report into the Noise Section of the environmental document.

Subtask 1.2c Prepare Traffic Impact Assessment Report

ESA is pleased to have Linscott, Law, and Greenspan Engineers (LLG) join our team for preparation of the traffic impact assessment for the proposed project. The LLG team will conduct the following tasks as part of their scope of work:

1. Project Mobilization

    a. Confirm the development description with the project team, work schedule, and assumptions to be utilized in the transportation study. Obtain and analyze the current General Plan and relevant Zoning Maps (preferably in electronic format) which illustrates the possible development sites/areas.

    b. Contact City staff to discuss the proposed project, confirm the study approach, identify pertinent traffic issues and concerns, and formalize the scope of work for the transportation impact study.

    c. In consultation with City staff, prepare preliminary project data (i.e., VMT screening and thresholds, project trip generation), and formalize the scope of work, detailing the parameters and assumptions to be utilized in the study, and submit the scoping technical memorandum for review and comment.

2. CEQA Assessment - Vehicle Miles Traveled (VMT) Analysis

    a. Review the proposed project to determine whether any screening thresholds are met. The City has established screening criteria pertaining to project trip generation forecasts, project land use types (i.e., local serving retail, affordable housing, etc.), and proximity to transit. If any one of the screening criteria are met, a project may be presumed to have a less than VMT significant impact, but a local transportation impact analysis may still be required. Based on this review, determine whether a VMT analysis is required or recommended for the project. The results of the VMT screening assessment will be submitted for review and approval by City staff prior to finalization.

    b. Should the project not be screened from further analysis as determined in Task 2.1, provide a qualitative assessment of project VMT. LLG understands that the City of Irwindale is a member City of the San Gabriel Valley Council of Governments' (SGVCOG)

and has utilized a web-based tool for the VMT analysis as part of the SGVCOG Implementation Study. LLG will utilize the SGVCOG 's VMT analysis tool, if necessary. Therefore, this proposal does not assume any project-specific modeling analysis using the Southern California Association of Government's (SCAG) current Regional Transportation Model. Should City staff request modeling using SCAG's model, an amendment to the contracted budget would be required.

c. Determine the baseline project-generated VMT per home-based trip per resident and compare to the City's significance thresholds. The City's guidelines note that the VMT impact criteria (established as 15.0% below City baseline) would be applicable for transportation analyses. Based on this assessment, determine the potential for project-level VMT transportation impacts. As the details of the proposed housing units are not available at this time, the proposal assumes VMT analysis for up to five (5) scenarios based on the potential development locations provided by the project team and City staff.

d. If a significant VMT impact is determined, identify potential transportation demand management (TDM) measures which could reduce the VMT impact to less than significant levels. LLG will review the TDM strategies provided in the California Air Pollution Control Officers Association's (CAPCOA) *Quantifying Greenhouse Gas Mitigation Measures* (2010) document, which provides substantial evidence for calculating the reduction in VMT associated with each measure. The potential TDM measures will be reviewed in terms of applicability to the land use(s) included as part of the proposed project.

e. 2.5 Provide the project team with a toolbox of potential mitigation or project alternatives for consideration. Coordinate with the project team to establish the preferred TDM program to be implemented as mitigation measures, if required.

f. 2.6 Apply the TDM measures to the proposed project utilizing the equations recommended in the CAPCOA document, and assess whether any potential project impacts are reduced to less than significant levels. For purposes of this proposal, up to two (2) iterations of TDM mitigation testing is assumed.

3. Preparation of Transportation Assessment Report

a. Prepare a draft transportation assessment in report format which details all of the above-mentioned items including our analysis, findings, and conclusions. The draft report will be suitably documented with tabular, graphic and appendix material. The draft report will be submitted for your review and review by appropriate members of the project team.

b. If necessary, revise the draft transportation assessment based on project team comments (i.e., one round of revisions assumed) and submit the final report to the City for review upon your authorization. Please note that as the extent of potential comments cannot be determined at this time, revisions or additional analyses which may be requested by the City after submittal will be handled through a contract amendment.

4. Attendance at Meetings and Conference Calls

    a. This scope of work includes preparation for and attendance by LLG Engineers at one (1) virtual project coordination meeting and up to two (2) conference calls with the project team and/or City staff as part of the transportation impact study preparation process.

5. Task 5: Consultation Related to the Draft MND

    a. Review the Draft MND Transportation Section and provide comments to the project team. This task includes one complete review of the Draft MND Transportation Section (i.e., the initial draft).

6. Response to Comments/Final MND Support

    a. Coordinate with ESA in obtaining copies of the public comments. It is assumed that each comment letter/individual comment will be numbered and allocated to each area of discipline (e.g., to traffic and transportation).

    b. 6.2 Review the comment letters and individual comments associated with traffic and transportation issues. Prepare written responses to those comments included in the traffic and transportation discipline and forward to the project team for incorporation into the Final MND. As the extent of the comments is not known at this time, a budget of $2,500.00 for LLG has been assumed as part of this work effort. Should the number of comments be extensive and require additional consultation, an amendment to the contracted budget would be submitted.

7. Attendance at Public Hearings

    a. This proposal includes preparation for and attendance by LLG Engineers at up to two (2) virtual public hearings and/or community meetings. Our team would be pleased to provide additional public hearing representation, if requested. An amendment to our contract would be provided for your approval prior to providing any additional meeting/hearing support. Each hearing is estimated to involve six (6) hours of both LLG Principal and Project Manager levels, including preparation for and attendance at each hearing.

8. Construction Traffic Analysis

    a. Obtain from the project team a description of the anticipated construction-related activities during each phase of construction (i.e., grading, foundations, building construction, etc.). In addition, obtain information regarding trucks (i.e., type, size, number, frequency, etc.), as well as the construction workers (i.e., number of workers, shift times, schedule, location(s) of construction worker parking, etc.), if known and available.

    b. Prepare a trip generation forecast of the construction-related traffic associated with the development of the proposed project during the peak construction phase. Compare the peak construction traffic forecast to the forecast project traffic generation.

    c. Assess the forecast weekday AM and PM peak hour trips expected to be generated by the construction-related activities as compared to the project at completion based on a review of the existing and/or anticipated truck routes/traffic patterns to and from the project site/s

or development areas. It should be noted that this scope of work does not include preparation of weekday AM and PM peak hour Level of Service calculations at the study intersections to determine potential impacts during construction. Should intersection analyses be required, an amendment to our contract may be necessary.

d. If necessary, identify improvements to alleviate any potential construction traffic impacts associated with the proposed project.

9. Task 9: Draft EIR Project Alternatives

a. Review the project alternatives and provide input with respect to the potential trip generation. This task assumes that a qualitative analysis of the project alternatives will be required and that no formal intersection Level of Service analyses will be required. Should a full, quantitative analysis be required for the project alternatives, an amendment would be prepared. This proposal assumes up to three (3) project alternatives, including the "No Project" alternative, will be required.

10. Response to Comments/Final EIR Support

a. Coordinate with ESA in obtaining copies of the public comments. It is assumed that each comment letter/individual comment will be numbered and allocated to each area of discipline (e.g., to traffic and transportation).

b. Review the comment letters and individual comments associated with traffic and transportation issues. Prepare written responses to those comments included in the traffic and transportation discipline and forward to the project team for incorporation into the Final EIR. As the extent of the comments is not known at this time, an additional budget of $2,500.00 has been assumed as part of this work effort and builds upon the Part A consultation authorization. Should the number of comments be extensive and require additional consultation, an amendment to the contracted budget would be submitted.

OPTIONAL PART C SCOPE OF WORK: NON-CEQA ASSESSMENT

The following Scope of Work outlines the non-VMT transportation analyses if required by the City of Irwindale.

11. Data Collection and Research

a. Visit the project study area to confirm existing conditions with respect to existing site development, site access, parking use, and areas of congestion in order to verify our overall understanding of traffic conditions which might affect this project.

b. In conjunction with Task 11.1, document the existing roadway striping, traffic control measures, curbside parking restrictions, adjacent intersection configuration, and other pertinent roadway features.

c. Research LLG and City files for weekday morning (7:00 to 9:00 AM) and afternoon (4:00 to 6:00 PM) peak period manual turning movement counts for up to 10 intersections. Given the changes in travel patterns and lower activity due to the ongoing coronavirus pandemic, conducting traffic counts is not recommended at this time. Therefore, this proposal assumes traffic data will be obtained from readily available historical traffic count data. It is assumed

that City staff will assist by providing available traffic count data in the vicinity. Should historical traffic count data not be available for the subject intersections, alternate data collection methods may be required. It is difficult to predict such scenarios and therefore any additional costs incurred for intersection traffic data collection are not assumed in this proposal. Further, should City staff request analysis at additional intersections (i.e., more than 10 study intersections), an amendment to our contract will be necessary.

d. Research LLG and City files for average daily traffic (ADT) volumes for up to five (5) roadway street segments. Given the changes in travel patterns and lower activity due to the ongoing coronavirus pandemic, conducting traffic counts is not recommended at this time. Therefore, this proposal assumes traffic data will be obtained from readily available historical traffic count data. It is assumed that City staff will assist by providing available traffic count data in the vicinity. Should historical traffic count data not be available for the subject street segments, alternate data collection methods may be required. It is difficult to predict such scenarios and therefore any additional costs incurred for street segment traffic data collection are not assumed in this proposal. Further, should City staff request analysis at additional intersections (i.e., more than five [5] street segments), an amendment to our contract will be necessary. 11.4 Conduct research for data on file at the City of Irwindale, City of Baldwin Park and the City of El Monte, as well as recent traffic studies prepared for developments in the project vicinity, regarding the status of other proposed developments (related projects) in the area which may contribute cumulative impacts to the adjacent street system in the vicinity of the proposed project.

12. Project Trip Generation

a. Prepare trip generation forecasts for the proposed project for a typical weekday over a 24-hour period, as well as for the weekday commute AM and PM peak hours. The trip generation forecasts will be derived from trip rates listed in Trip Generation Manual, 10th Edition, published by the ITE in 2017. The project trip generation forecast will be submitted for review and approval by City staff prior to finalization. Should changes occur in the project description after completion of Tasks 1.1, 1.2, 1.3, and 12.1, an amendment to this contract may be required.

b. Prepare trip generation forecasts for the related projects for a typical weekday over a 24-hour period, as well as for the weekday AM and PM peak hours utilizing the Trip Generation Manual, 10th Edition, published by the Institute of Transportation Engineers (ITE) in 2017. The related projects information will be compiled into tabular format with a figure illustrating the locations of each of the related projects.

13. Project Traffic Analysis and Intersection Level of Service Evaluation

a. Assign the forecast new weekday AM and PM peak hour trips expected to be generated by the proposed project as well as the related projects to the adjacent roadways and study intersections based on existing and anticipated traffic patterns to and from the project site.

b. 13.2 Prepare weekday AM and PM peak hour Level of Service (LOS) calculations for up to 10 study intersections for all of the analysis scenarios in order to determine the potential impacts of the proposed project. Prepare the approved capacity analyses (i.e., Intersection Capacity Utilization method for signalized intersections and Highway Capacity Manual method for

unsignalized intersections) for the Level of Service calculations. The future background traffic volumes will be forecast by applying a growth factor (typically estimated at 1.0 to 2.0% per year) to the existing traffic volumes and adding traffic from cumulative developments (related projects) in the study area. This proposal assumes that all study intersections will be evaluated based on the City of Irwindale's analysis methodology only.

c. 13.3 Assess the impact of the project based on the results of peak hour intersection analyses and application of the City of Irwindale threshold criteria. Based on this assessment, determine whether improvements will be required for any potential operational deficiencies identified.

d. 13.4 If necessary, coordinate with City staff to identify potential demand management measures or roadway improvement measures available to reduce any forecast operational deficiencies to acceptable levels. Based on this coordination, provide recommended improvement measures which may include intersection and/or signalization improvements, transportation demand management measures, striping modifications, the addition of auxiliary turn lanes, traffic control/limitations at site access points, etc. The recommended improvement measures will be described within the assessment. Should concept plans be required to demonstrate the feasibility of any of the recommended improvement measures, a contract amendment will be required.

Work items requested outside this outlined scope of work, such as changes to the project description, conduct of new traffic counts, preparation of preliminary opinions of probable costs of recommended mitigation or improvement measures, preparation of conceptual roadway improvement plans/parking layout plans, conduct of traffic counts, preliminary cost estimates of any recommended mitigation measures, additional analyses and/or attendance at additional meetings/hearings would occur under a separate amendment to the contracted budget.

Subtask 1.2c Deliverables

- One (1) electronic copy of the Draft TIA in Microsoft Word (WORD) format
- One (1) electronic copy of the Final TIA in WORD and Adobe Acrobat (PDF) formats

Subtask 1.2d Prepare Cultural Resources Assessment

ESA will prepare a Cultural Resources section formatted for inclusion in the environmental document which includes the regulatory background, existing cultural resources environment, study methodology, results of the cultural resources analysis, findings of potential effects and mitigation measures. Supporting data for the following topics will be provided in a technical appendix.

Cultural and Paleontological Resources

To identify historic, archaeological, and paleontological resources, ESA will conduct archival research of materials contained in local archives. Archival research will include record searches at the California Historical Resources Information System – South Central Coastal Information Center and the Los Angeles County Natural History Museum, a Sacred Lands File search with the Native American Heritage Commission, and a review of historic and geologic maps. Data gathered for historic and archaeological resources will be summarized in the Cultural Resources section of the environmental document. Information pertaining to paleontological resources will be summarized in the Geology and Soils section

of the environmental document. Mitigation measures will be developed that reduce impacts to cultural and paleontological resources to a less than significant level, to the extent feasible.

Tribal Cultural Resources

ESA will prepare a Tribal Cultural Resources section of the environmental document based on Assembly Bill (AB) 52 consultation materials provided by the City. Mitigation measures will be developed that reduce impacts to tribal cultural resources to a less than significant level, to the extent feasible. ESA anticipates no tribal cultural resources will be identified as a result of the City's AB 52 consultations.

I.3 Prepare Initial Study/Notice of Preparation and NOC

ESA will prepare an Initial Study/Notice of Preparation (IS/NOP) and NOC for the proposed project that is consistent with the procedural and substantive provisions of Sections 15063 and 15082 and Appendices C, G, and I of the State CEQA Guidelines and would be used to narrow the focus of the environmental issues addressed in the EIR. (An IS/NOP must also be accompanied with a NOC for the County Clerk, which ESA will also prepare.)

The Initial Study will be prepared in conformance with a City-approved Initial Study checklist format, and the NOC would be consistent with Appendix C of the State CEQA Guidelines. Based upon review and comment by the City, ESA will revise the IS/NOP and NOC, as appropriate. It is anticipated that the following issue areas will be sufficiently analyzed in the Initial Study to allow them to be scoped out from further analysis in the EIR. All appropriate mitigation measures for these resources would be included in the Initial Study and incorporated into the Mitigation Monitoring and Reporting Program.

- Agriculture and Forestry Resources
- Biological Resources
- Geology and Soils
- Mineral Resources
- Wildfire

ESA will distribute the IS/NOP and NOC to responsible agencies, trustee agencies, the State Clearinghouse (via CEQANet as per Covid19 protocols), and any other interested parties pursuant to the City's mailing list. During the public review period of the IS/NOP, ESA will begin preparation of the Draft EIR in order to reduce the overall project schedule. This scope of work assumes that a scoping meeting will not be conducted as part of the project's CEQA process. If a scoping meeting is deemed necessary at a later time, this scope of work and associated budget will be amended appropriately.

I.3 Deliverables

- One (1) electronic copy of the Administrative Draft IS/NOP
- One (1) electronic copy of the Administrative Draft NOC
- Three (3) printed copies (2 bound and 1 unbound) of the Final IS/NOP (with Technical Appendices on a CD) for the City
- Twenty-five (25) electronic copies of the Final IS/NOP on CD for persons, organizations, or agencies
- One (1) electronic copy of the Final IS/NOP for the City, provided in WORD and PDF formats via ESA's file sharing site; the PDF shall be indexed and searchable by chapter

- Twenty-eight (28) printed copies of the Final NOC to accompany the Final IS/NOPs that would be distributed for public review and within internal City departments
- One (1) electronic copy of the Final NOC for the City to use for distribution to nearby property owners, organizations, departments within the City, and/or for publication in a local newspaper

I.4 Prepare Administrative Draft EIR

Subtask I.4a Prepare Administrative Draft EIR

The objective of this task is to prepare a comprehensive, accurate, and objective program-level EIR for the proposed project that fully complies with CEQA and the State CEQA Guidelines (both as amended throughout submittal of the Draft Focused EIR) and all applicable guidance and procedures established by the City of Irwindale for the purpose of environmental review.

The main purpose of the Draft EIR will be to thoroughly and accurately analyze the environmental impacts of the proposed project with respect to resources for which impacts have not been scoped out in the IS/NOP. The document will be as free as possible of jargon so that the information it contains is accessible to the City and the public. The methodology and criteria used for determining the impacts of the project will be clearly and explicitly described in each section of the EIR, including any assumptions, models, or modeling techniques used in the analysis.

The Draft EIR will include the following sections:

- Contents
- Introduction
- Executive summary, including a comprehensive summary table of impacts and mitigation measures, areas of controversy, issues to be resolved, and a summary discussion of the proposed project and its alternatives
- Project Description, including project objectives, project location, project characteristics, and required approvals
- Introduction to the Analysis
- Environmental Analysis
  - > Environmental Setting
  - > Regulatory Framework (applicable federal, State, local, plans, policies, and standards)
  - > Thresholds of Significance
  - > Project Environmental Impacts (short-term, long-term, direct, and indirect)
  - > Mitigation Measures (for potentially significant environmental issues)
  - > Level of Significance After Mitigation
  - > Cumulative Environmental Impacts (short-term, long-term, direct, and indirect)

- Alternatives
- Long-Term Implications (including growth-inducing impacts, a summary of project-related and cumulative significant and unavoidable impacts, and significant irreversible environmental changes or commitments of resources)
- List of EIR Preparers
- References
- Technical Appendices

It is assumed that key construction and operational features of the project would be available at the beginning of work on the EIR such that an accurate, finite, and stable project description could be prepared prior to beginning substantial work on the EIR. This approach has proven to result in the most expeditious preparation and processing of an EIR.

Cumulative Impacts

Cumulative impacts will be specified in the individual technical sections of the EIR. The cumulative analysis will be qualitative in nature and will be based upon known projects, either approved, proposed (applications on file), or reasonably foreseeable, within a defined area around the proposed project, as determined by the factors relevant to each environmental issue area. The cumulative impact assessment will be based on potential development projects that may, in combination with the proposed project, create cumulatively considerable environmental impacts, as required by Section 15130 of the most recent State CEQA Guidelines.

Other CEQA Sections

Summary. This section will be in tabular format and will briefly describe the impacts of the proposed project, the level of significance of impacts, recommended mitigation measures, and the level of significance after the recommended mitigation measures are implemented.

Growth-Inducing Impacts. The EIR will discuss all significant unavoidable adverse impacts. The EIR will discuss any potential growth-inducing and irreversible impacts of the proposed project. Potential sources of growth inducement and their corresponding impacts, such as removal of obstacles to growth will be qualitatively analyzed, to the extent that they are applicable.

Alternatives. In order to accurately define alternatives, ESA will work with the applicant and City to first clearly articulate project objectives. The EIR can then most effectively assess alternatives in light of CEQA's mandate to reduce significant project impacts while meeting the project's basic objectives. ESA proposes a two-tiered approach to the alternatives analysis, which is to (1) describe the alternatives screening process and (2) describe and analyze those alternatives selected for detailed study. This will allow the EIR to demonstrate the consideration given to a sufficiently broad range of alternatives.

The alternatives screening process will provide an opportunity for the EIR to describe the process used to identify alternatives. The section will describe a range of alternatives initially considered, including their ability to meet "screening criteria." Alternatives not carried forward for detailed analysis will be identified, and the reason for rejection of these alternatives will be specified.

For those alternatives described in detail, the EIR will qualitatively address the environmental impacts that would result. ESA will work closely with City staff to develop up to three alternatives to the proposed project, including (1) no project alternative (including the no project/no development alternative and the no project/reasonably foreseeable use alternative), (2) alternative density scenario, and (3) a third alternative to be determined once key project impacts have been further defined (as needed).

The alternatives will be provided in a sufficient level of detail for comparison with the proposed project. Each alternative will be evaluated with respect to each key impact category. The advantages and disadvantages of each alternative and the reasons for rejecting or recommending the alternative will also be discussed and the environmentally superior alternative will be identified. During the course of the environmental analysis, minor variations to the proposed project that could have the effect of reducing or eliminating environmental concerns may become apparent. These variations will be recommended, where feasible.

Appendices. All technical studies, survey results, data, and public and agency comments will be included as appendix material to the Draft EIR.

I.4 Deliverables

- One (1) electronic copy of the Administrative Draft EIR in WORD format
- One (1) electronic copy of the Administrative Draft NOC and NOA in WORD format

I.5 Prepare Draft EIR & NOC and Attend Public Meeting on the Draft EIR

Subtask I.5a Prepare Draft EIR and NOC

ESA will prepare a Draft EIR for a 45-day public review that incorporates all of the comments on the Administrative Draft EIR. The Draft EIR will be comb-bound, using heavy stock paper for the cover, rather than plastic or laminate. ESA will provide the City with three (3) printed copies (two double-sided bound copies and one single-sided unbound copy) and one (1) electronic copy of the Draft EIR for distribution to internal City departments. The one (1) electronic copy will include a WORD version of the EIR, as well as a web-quality PDF version of the document for posting on the City's website. All three (3) printed copies of the EIR will include technical appendices on a CD in a back pocket of the document. It is assumed that ESA will distribute the Draft EIR to the State Clearinghouse via CEQANet, as per Covid19 protocols. In addition, ESA will distribute up to twenty-five (25) CD copies of the Draft EIR to persons, organizations, or agencies identified on the City's mailing list.

It is assumed that ESA would be responsible for preparation of the NOA, as well as transmittal of the NOA along with any applicable filing fees to the County Clerk of Los Angeles (via FedEx as per Covid19

protocols). It is assumed that ESA will distribute the NOC along with the Draft EIR to the State Clearinghouse and up to twenty-five (25) persons, organizations, or agencies pursuant to the City's mailing list. It is assumed that the City would be responsible for distribution of the NOA to area property owners, local organizations, and departments within the City (some of which will also receive a copy of the Draft EIR), as well as publication in a local newspaper.

Subtask 1.5a Deliverables

- Three (3) printed copies (2 bound and 1 unbound) of the Draft EIR (with technical appendices on a CD) for the City
- Twenty-five (25) electronic copies of the Draft EIR on CD for persons, organizations, or agencies
- One (1) electronic copy of the Draft EIR and Executive Summary for the City, provided in WORD and PDF formats via ESA's file sharing site; the PDF shall be indexed and searchable by chapter
- Twenty-eight (28) printed copies of the NOA to accompany the Draft EIRs that would be distributed for public review and within internal City departments
- One (1) electronic copy of the Final NOA for the City to use for distribution to nearby property owners, organizations, departments within the City, and/or for publication in a local newspaper

Subtask 1.5b Attend Virtual Public Meeting on the Draft EIR

ESA will attend one (1) public meeting on the Draft EIR. Due to the limitations on large public gatherings, it is assumed that this public meeting would occur via a virtual format using Zoom, WebEx, or another public meeting platform compatible with the City's internal systems. It is assumed that the City of Irwindale would coordinate and facilitate the public meeting and that presentation materials describing or illustrating the project will be provided by ESA as part of the General Plan Update process. ESA would take detailed notes regarding the issues raised by commenting individuals that should be addressed in the Final EIR. In addition, ESA would be available to provide an overview of the CEQA process and answer questions raised by the public regarding the CEQA process and/or questions regarding the analysis in the EIR.

Subtask 1.5b Deliverables

- Attend one (1) virtual Draft EIR public meeting

1.6 Develop Final EIR Work Plan and Prepare Administrative Final EIR and MMRP

Subtask 1.6a Develop Final EIR Work Plan

It is assumed that the City will compile and transmit all written comments on the Draft EIR throughout the public review period and as one unified set of comments following the close of the 45-day public review period. ESA will confer with the City to review written comments on the Draft EIR, including comments from the public meeting, to develop a general strategy for preparation of responses. To the maximum extent feasible, topical responses will be provided for broad issue areas if there is extensive public comment. ESA will consult with the project team to review and revise, if necessary, the project schedule that was developed based upon the number of comment letters received.

Subtask I.6b Prepare Administrative Final EIR (Response to Comments and Text Revisions) and MMRP

The Response to Comments volume of the Final EIR will include all comments received, responses to those comments, and standard introductory material. The MMRP would be provided separately, but prepared concurrently with the Final EIR. All comments will be numbered (to indicate comment letter and comment number), and the responses to those comments will be similarly numbered to allow easy correlation. In addition, where the text of the Draft EIR must be revised, the text will be isolated as "text changes" in the Response to Comments volume, indicating deleted text by strikeout and inserted text by double-underline. The text of the Draft EIR will not be revised. The Final EIR will collectively consist of the Draft EIR, the Response to Comments document, and the technical appendices.

It is assumed that the Final EIR would be provided at least 10 days prior to consideration for certification by the City to any commenting public agency and any member of the public who has requested the document. Further, the MMRP will be designed to ensure compliance with all adopted mitigation measures during project implementation. The MMRP will be in table format and will specify project-specific mitigation measures, as well as standard conditions of approval that are applicable to the project, if requested by the City. Mitigation timing and responsible parties will also be identified. The objective of the MMRP is to ensure compliance with Public Resources Code Section 21081.6, as mandated by Assembly Bill 3180 (Cortese 1988), which requires that a lead agency adopt an MMRP at the time an EIR is certified.

An estimated budget has been prepared for the responses to comments effort. While the actual scope and extent of public comments (in either written or oral format) cannot be definitively determined at this time, we have tried to provide a conservative, yet realistic, estimate of the scope of work that would be required for this project, in order to avoid the need for a contract amendment.

I.6 Deliverables

- One (1) electronic copy of a memorandum indicating the adequacy of the estimated budget for the responses to comments work effort, as needed
- One (1) electronic copy of the Administrative Final EIR (Response to Comments) and MMRP in WORD format

I.7 Prepare Final EIR, Attend Certification Hearings, and File NOD

Subtask I.7a Prepare Final EIR

ESA will prepare a Final EIR and MMRP that incorporates all of the comments on the Administrative Final EIR and MMRP. ESA will provide the City with three (3) printed copies (two double-sided bound copies and one single-sided unbound copy) and one (1) electronic copy of the Final EIR for distribution to internal City departments. The one (1) electronic copy will include a WORD version of the EIR, as well as a web-quality PDF version of the document for posting on the City's website. ESA will distribute the Final EIR to an additional ten (10) commenting agencies (as needed) on CD, which would include any public agency that commented on the Draft EIR. For public agencies that commented on the Draft EIR, they would be provided with a CD copy of the Final EIR at least ten days prior to the hearing during which the City would consider certification of the EIR.

Subtask I.7a Deliverables

- Three (3) printed copies of the of the Final EIR and MMRP for the City
- Ten (10) electronic copies of the Final EIR on CD for commenting agencies, as needed
- One (1) electronic copy of the Final EIR and MMRP for the City, provided in WORD and PDF formats via ESA's file sharing site; the PDF shall be indexed and searchable by chapter

Subtask I.7b Attend Virtual Planning Commission and City Council Hearings and File NOD

ESA will attend the Planning Commission and City Council hearings during which approval of the project and certification of the Final EIR would be considered. Due to the limitations on large public gatherings, it is assumed that the hearings would occur via a virtual format using Zoom, WebEx, or another public meeting platform compatible with the City's internal systems. It is assumed that the City of Irwindale would coordinate and facilitate the hearings and that oversized presentation materials describing or illustrating the project will be provided by ESA as part of the General Plan Update process. ESA would be available to answer questions raised concerning the CEQA process and/or technical questions regarding the analysis contained in the EIR.

In addition, ESA would be responsible for preparation of the NOD, as well as transmittal of the NOD, along with any applicable filing fees, to the County Clerk of Los Angeles (via FedEx as per Covid19 protocols). It is assumed that ESA will distribute the NOD to the State Clearinghouse via CEQANet as per Covid19 protocols.

Subtask I.7b Deliverables

- Attend one (1) virtual Planning Commission hearing and one (1) virtual City Council hearing
- One (1) electronic copy of the Administrative Draft NOD
- One (1) electronic copy of the Final NOD for internal City use
- One (1) printed copy of the Final NOD for filing at the County Clerk of Los Angeles

I.8 Attend Virtual Project Meetings

ESA will attend a maximum of two (2) virtual meetings during preparation of the environmental document, which is a reasonable estimate given our previous experience on similar projects.

As previously reflected in our scope of work, we will also attend the following meetings:

- One (1) project kick-off meeting
- One (1) virtual Draft MND or Draft EIR public meeting
- Two (2) virtual hearings before decision-makers (Planning Commission and City Council)

In addition, we would be available to consult with the City via teleconference, as needed.

I.8 Deliverables

- Attendance at up to two (2) virtual project meetings

I.9 Project Management and General Coordination

Subtask I.9a Project Management and General Coordination

The purpose of this task is to manage the ESA project team, manage the MND or EIR preparation effort, and maintain constant, close communication between the City and the environmental team. This task is also intended to ensure that the project will be completed on time and within budget, and that all work products are of the highest quality. ESA will coordinate the team's work for the communication of issues, transmittal of comments, financial management, and other project management matters.

I.10 Prepare Certification Documents

ESA will prepare draft Findings of Fact for each significant effect identified in the EIR and prepare a Statement of Overriding Considerations, if unavoidable significant impacts occur. As required by the State CEQA Guidelines, one of three findings must be made for each significant effect and must be supported by substantial evidence in the record. The Statement of Overriding Considerations will rely on input from the City regarding the benefits of the project. ESA will consult with City staff to review and finalize the Findings and Statement of Overriding Considerations for the City's ultimate adoption.

I.10 Deliverables

- One (1) electronic copy of the Administrative Draft Certification Documents
- Three (3) printed copies of the Final Certification Documents for internal City use

Environmental Impact Analysis

The following details our approach to the environmental impact analysis for the proposed project, given the information that has been shared with us to date. Preliminary technical analyses to be prepared by ESA to support some of the environmental impact analyses have been identified above.

Aesthetics

Aesthetics (defined as any element, or group of elements, that embodies a sense of beauty), views, daytime glare, and nighttime illumination are related elements in the visual environment. Visual impacts of a project include the provision of objective visual resources (such as project design elements) and the subjective viewer response to those changes in the visual environment.

The environmental analysis will provide a description of views to and from the project area, supplemented by photographs. ESA will analyze whether the proposed project would substantially degrade the existing visual character or quality of the site and its surroundings due to grading, height, bulk, massing, or architectural style or building materials; location in a visually prominent area; degradation of the visual unity of the area; or degradation of views from roadways or adjacent uses. Scenic vistas are held from and through the project area. However, the project area is not located within an officially designated state scenic highway.

Existing sources of light and glare will also be described. The environmental analysis will analyze whether the proposed project would create a new source of substantial light or glare that would adversely affect day or nighttime views in the area. ESA will evaluate changes in ambient lighting levels, including hot spots and spillover onto adjacent areas, particularly any nearby residential uses. Substantial light can be caused by lighting to illuminate signage or architectural features, or for wayfinding purposes, and substantial glare can be caused by the use of reflective building materials.

Agriculture and Forestry Resources

The project area has not been utilized for agriculture or timber harvest purposes in the recent past, and is not designated as prime farmland, farmland of statewide importance, unique farmland, or local importance and are not subject to a *Williamson Act* contract. While not likely, potential impacts to agriculture and forestry resources will be described in the environmental document as per CEQA.

Air Quality

The results of the air quality impact analysis, prepared as part of Task 2, will be incorporated into the environmental document.

Biological Resources

Vegetation communities and sensitive biological resources will be described in terms of their potential or presence on-site and their regional significance. The section will include an impacts analysis based on the project design, an assessment of the significance of the impacts and applicable and feasible mitigation measures. Proposed mitigation requirements for potential impacts to sensitive resources will be discussed in terms of the regional planning efforts and state and federal laws and guidelines. To ensure that no impacts to migratory birds would occur, the environmental document will include a mitigation measure that requires preconstruction surveys for nesting migratory birds, as deemed necessary.

Cultural Resources

The results of the cultural resources assessment, prepared as part of Task 2, will be summarized in the environmental document.

Energy

The results of the energy conservation analysis, prepared as part of Task 2, will be summarized in the environmental document.

Geology and Soils

This section will be prepared using available geologic and/or soils maps, published literature, stereoscopic aerial photographs, and information, reports, and/or plans with information regarding geology and/or soils provided by the City. Typically, standard construction techniques and the rigorous requirements of the

Uniform Building Code, the California Building Code, and the City's Municipal Code provide enough protection to ensure that significant impacts do not result. Accordingly, these techniques and standards will be identified and discussed with respect to the proposed project, and mitigation measures, if required, will also be presented.

The geology and soils section will report the type and magnitude of seismic activity typical in this portion of Los Angeles County, including the location of the nearest earthquake fault. In addition, the suitability of the on-site soils for the proposed development will also be identified and discussed. Based on the information collected, soils and geologic conditions will be discussed, and potential impacts will be identified.

GHG Emissions

The results of the GHG emissions analysis, prepared as part of Task 2, will be summarized in the environmental document.

Hazards and Hazardous Materials

The environmental document will describe potential planned uses within the project area that could create hazards for future residents, such as those associated with the use, disposal, transportation, or potential upset of hazardous materials, including those typically used for residential cleaning and landscape maintenance. Federal, state, county, and city laws and regulations governing hazardous materials will be summarized. The environmental document will also evaluate the extent to which the project could impair or physically interfere with an adopted emergency response plan or emergency evacuation plan (which is unlikely).

Hydrology and Water Quality

Existing hydrologic conditions will be identified, including the extent and nature of the existing watershed, groundwater recharge and supply (which is expected to be nonexistent in this area), drainage conditions, and water quality. Surface water resources will be described for the project area. Existing and planned drainage and flood control facilities will also be described. The 100- and 500-year floodplains within the project vicinity will be mapped, and any exposure of structures to the 100-year floodplain will be evaluated.

The potential increase in the rate of runoff as a result of developing the proposed project will be described and compared to pre-development conditions. The environmental document will analyze whether the proposed project would adversely alter the existing drainage patterns in the area, such that flooding, erosion, or other degraded water quality conditions would occur. As would be expected, impacts related to erosion are not considered likely, particularly assuming compliance with the requirements of the National Pollutant Discharge Elimination System (NPDES) program during construction activities.

A description of existing water quality conditions will be compiled based on existing data or inquiries to local agencies. The environmental document will address potential changes in surface water and groundwater quality ent. ESA will discuss the applicability of relevant water quality regulations to reduce potential effects. In addition, this section will determine whether the project would result in a rate of flow

that exceeds any downstream storm drain facility's capacity. As per CEQA, the risk of inundation by seiches, mudflows, and tsunamis (all unlikely) will also be addressed in the environmental document.

Land Use and Planning

The project proposes to update the City's current Housing Element for the 2021-2029 planning period, as mandated by State Law. The current Irwindale Housing Element was certified by HCD in 2013 and shall serve as a foundation for updating the Housing Element. In addition to the Housing Element update, the project proposes to update the Safety Element of the General Plan and the other Elements, as needed for consistency. The General Plan update will also include an Environmental Justice Element and policies in compliance with SB1000. The Land Use and Planning section of the environmental document will describe the implications of requiring an amendment to the General Plan. The land use section will describe existing land uses, intensities, and patterns in the project area. The environmental document will evaluate any potential conflicts between the proposed general plan updates and surrounding uses. These conflicts could include a use that would create a nuisance for adjacent properties or result in incompatibility with surrounding land uses, such as difference in the physical scale of development, noise levels, traffic levels, or hours of operation. The environmental document will evaluate the extent to which adopted City development standards or proposed design standards would eliminate or minimize potential conflicts.

Mineral Resources

The environmental document will assess the project's potential impacts on the availability of a known mineral resource that would be of value to the region and residents of the state. While not likely, potential impacts to mineral resources will be described in the environmental document as per CEQA.

Noise

The results of the noise impact analysis, prepared as part of Task 2, will be summarized in the environmental document.

Population and Housing

The proposed project would not displace housing. Although some individuals may move to the project area as a result of an increase in available housing, it is not anticipated that the numbers would represent a substantial percentage of City population or exceed population projections for the City. Potential impacts of the proposed project on population and housing will be analyzed in the environmental document.

Public Services

The environmental document will address potential impacts of the project on police and fire department response capabilities and time. The environmental document would also address proper site access and circulation, as well as fire prevention measures. Since there is no anticipated significant increase in population with the proposed project, impacts on schools and libraries is anticipated to be minimal. This will be substantiated in the environmental document.

All work product is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.

EXHIBIT "B"
SPECIAL REQUIREMENTS

THERE ARE NO SPECIAL REQUIREMENTS FOR THIS CONTRACT.

EXHIBIT "C"
SCHEDULE OF COMPENSATION/BUDGET

Cost Estimate

ESA has prepared a cost estimate that is competitive, yet accurately reflective of the level of effort required to complete the scope of services requested by the City based on our understanding of the project with the information made available to date. ESA does not believe it is in the client's interest to submit an unrealistically low cost proposal, which is made possible by either reducing the scope of work or by assuming that budget augments will be made available at a later date. That said, we are flexible and willing to discuss ways to reduce our preliminary cost proposal, if necessary.

We have provided a detailed cost proposal for preparation of select elements of the General Plan and an associated EIR, identifying labor costs by task, by person, and by hour. In an effort to keep costs at a minimum, only minimal copies of documents and notices will be printed. If additional printed copies are requested by any member of the project team, ESA will revise this budget accordingly.

Factors that would increase the scope of work and estimated costs outlined in this proposal include, but are not necessarily limited to, any of the following:

- Attendance at additional meetings
- Additional printing of copies of memos, reports, and/or notices
- Analysis of additional issues above those discussed in this proposal, or a more detailed level of analysis than described in this proposal
- Changes in the project requiring re-analysis or rewriting of General Plan elements or environmental document report sections
- Collection of additional data for the General Plan updates or environmental analyses

Our cost proposal is valid for 90 days from the date of this proposal and is based on all team members' standard hourly rates.

EXHIBIT B

Table 2: Cost Proposal
ESA Labor Detail and Expense Summary

Task #	Task Name/Description	Project Director	Project Manager	Safety Element Lead	Director II	Managing Associate II	Managing Associate I	EJ Analyst	Senior Associate I	Associate III	Associate II	Project Technician III	Project Technician II	Subtotal	Total Hours	Labor Price
	Labor Category															
		$ 285	$ 195	$ 240	$ 225	$ 190	$ 175	$ 170	$ 150	$ 135	$ 125	$ 120	$ 100			
A	Project Kickoff and Data Collection	2	6	2				2		4		2		$ 240	18.00	$ 3,340
B	Existing Conditions and Needs													$ -	-	$ -
	B.1 Evaluation of the 2014-2021 Housing Element (BAE)													$ -	-	$ -
	B.2 Safety Element Existing Conditions		24	24						56	60	40	6	$ 5,400	210.00	$ 30,900
	B.3 Environmental Justice Existing Conditions		40	8				105		105		24	6	$ 3,480	288.00	$ 45,225
C	Assessment of Housing Needs													$ -	-	$ -
	C.1 Housing Assessment & Needs Analysis (BAE)													$ -	-	$ -
	C.2 Adequate Sites Analysis & Constraints		32						80			12		$ 1,440	124.00	$ 19,680
D	Community Engagement													$ -	-	$ -
	D.1 Project Meetings and Coordination		96											$ -	96.00	$ 18,720
	D.2 Public Outreach - Three Stakeholder Meetings		18	12				12		12	12			$ -	66.00	$ 11,550
	D.3 Public Outreach - Survey Development and Analysis		2	2				2						$ -	6.00	$ 1,210
	D.4 Public Outreach - Content Coordination and Support for Website		4							8		4		$ 480	16.00	$ 2,340
	D.5 Informational Workshop with Planning Commission and City Council (per E6)		6	4										$ -	10.00	$ 2,130
E	Preparation of Draft Housing Element (BAE)													$ -	-	$ -
	E.1 Administrative Draft Housing Element Update													$ -	-	$ -
	E.5 Draft submitted to City staff and revisions made													$ -	-	$ -
	E.6 Public Draft Housing Element Update													$ -	-	$ -
	E.7 Prepare Public Review Draft													$ -	-	$ -
F	Safety and Land Use Element Amendments (ESA)													$ -	-	$ -
	F.1 Safety Element Amendments		24	24						40	40	16	8	$ 2,720	152.00	$ 23,560
	F.2 Land Use Element Amendments		16						24			4	8	$ 1,280	52.00	$ 8,000
G	Environmental Justice Element (ESA)													$ -	-	$ -
	G.1 Prepare EJ Element		40					60		60		16	8	$ 2,720	184.00	$ 28,820
	G.2 Public Review Draft of EJ Element		30					30		30		8	8	$ 1,760	106.00	$ 16,760
	G.3 Final Implementation Workshop & Final EJ Element		20					20		20		6	6	$ 1,320	72.00	$ 11,320
H	Public Hearings, Adoption and HCD Certification													$ -	-	$ -
	H.1 Planning Commission Meetings (Two)		10							6				$ -	16.00	$ 2,760
	H.2 Council Public Hearing and Adoption (One)		6							2				$ -	8.00	$ 1,440
	H.3 HCD Submittal and Certification (BAE)													$ -	-	$ -
I	Environmental Review (ESA)													$ -	-	$ -
	I.1 - I.3 IS/NOP and NOC	16					80			36	42			$ -	174.00	$ 28,670
	I.4 - I.5 DRAFT EIR and NOC	36		44	40	46	160		24	80	140		33	$ 3,300	603.00	$ 101,760
	I.6 - I.7a & I.10 FINAL EIR, MMRP and NOD	24		22	16	18	80		12	54	80			$ -	306.00	$ 52,230
	I.7b Attend Planning Commission/City Council Hearings	8					8							$ -	16.00	$ 3,680
	I.8 & I.9a Project Meetings and Management	36					80							$ -	116.00	$ 24,260
Total Hours		122	374	142	56	64	408	231	140	513	374	132	83		2,639	
Total Labor Costs		$ 34,770	$ 72,930	$ 34,080	$ 12,600	$ 12,160	$ 71,400	$ 39,270	$ 21,000	$ 69,255	$ 46,750	$ 15,840	$ 8,300			**$438,355**

ESA Non-Labor Expenses

Reimbursable Expenses	(see Attachment A for details)	$ 10,350
Subtotal ESA Non-Labor Expenses		**$ 10,350**
Subconsultant Costs	(see Attachment B for details)	**$ 193,627**

PROJECT TOTAL	**$642,332**

OPTIONAL TASK: LLG's LOS Transportation Analysis **$ 21,735**

Attachment A
Cost Proposal: ESA Non-Labor Expenses Summary

Reimbursable Expenses		
Urban Footprint	$	5,000
Printing/Reproduction	$	1,800
Document and Map Reproductions (CD + Digital Photo)	$	600
Postage and Deliveries	$	1,200
Mileage	$	400
Vehicle Rental	$	-
Lodging	$	-
Airfare	$	-
Other Travel Related	$	-
-	$	-
-	$	-
-	$	-
Subtotal Reimbursable Expenses	$	9,000
15% Fee on Reimbursable Expenses	$	1,350
Total Reimbursable Expenses	**$**	**10,350**

ESA
Hous

Attachment B
Cost Proposal: Subconsultant Detail

	Task Number / Description	Subconsultant Costs					
		Subconsultant 1 BAE	Subconsultant 2 Placeit!	Subconsultant 3 LLG	*Subtotal Subconsultant Cost*	Fee @ 15%	Total Subconsultant Project Cost
	Insert Budget By Task						
A	**Project Kickoff and Data Collection**	$ 3,270			*$ 3,270*	$ 491	$ 3,760.50
B	**Existing Conditions and Needs**				$ -	$ -	$ -
	B.1 Evaluation of the 2014-2021 Housing Element	$ 6,310			*$ 6,310*	$ 947	$ 7,256.50
	B.2 Safety Element Existing Conditions				$ -	$ -	$ -
	B.3 Environmental Justice Existing Conditions				$ -	$ -	$ -
C	**Assessment of Housing Needs**				$ -	$ -	$ -
	C.1 Housing Assessment & Needs Analysis	$ 31,560			*$ 31,560*	$ 4,734	$ 36,294.00
	C.2 Adequate Sites Analysis & Constraints	$ 4,560			*$ 4,560*	$ 684	$ 5,244.00
D	**Community Engagement**				$ -	$ -	$ -
	D.1 Project Meetings	$ 11,400	$ 465		*$ 11,865*	$ 1,780	$ 13,644.75
	D.2 Public Outreach - Three Stakeholder Meetings	$ 7,990	$ 8,810		*$ 16,800*	$ 2,520	$ 19,320.00
	D.3 Public Outreach - Housing Survey Development and Analysis	$ 8,110	$ 675		*$ 8,785*	$ 1,318	$ 10,102.75
	D.4 Public Outreach - Content Coordination and Support for Website	$ 2,700	$ 5,010		*$ 7,710*	$ 1,157	$ 8,866.50
	D.5 Informational Workshop with Planning Commission and City Council (per E6)	$ 6,640			*$ 6,640*	$ 996	$ 7,636.00
E	**Preparation of Draft Housing Element**				$ -	$ -	$ -
	E.1 Administrative Draft Housing Element Update	$ 3,840			*$ 3,840*	$ 576	$ 4,416.00
	E.5 Draft submitted to City staff and revisions made	$ 3,480			*$ 3,480*	$ 522	$ 4,002.00
	E.6 Public Draft Housing Element Update	$ 3,060			*$ 3,060*	$ 459	$ 3,519.00
	E.7 Prepare Public Review Draft	$ 3,060			*$ 3,060*	$ 459	$ 3,519.00
F	**Safety and Land Use Element Amendments (ESA)**				$ -	$ -	$ -
	F.1 Safety Element Amendments				$ -	$ -	$ -
	F.2 Land Use Element Amendments				$ -	$ -	$ -
G	**Task G: Environmental Justice Element (ESA)**				$ -	$ -	$ -
H	**Task H: Public Hearings, Adoption and HCD Certification**				$ -	$ -	$ -
	H.1 Planning Commission Meetings (Two)	$ 6,640			*$ 6,640*	$ 996	$ 7,636.00
	H.2 Council Public Hearing and Adoption (One)	$ 3,320			*$ 3,320*	$ 498	$ 3,818.00
	H.3 HCD Submittal and Certification	$ 3,320			*$ 3,320*	$ 498	$ 3,818.00
I	**Environmental Review**			$ 30,300	*$ 30,300*	$ 4,545	$ 34,845.00
	I.1 - I.3 IS/NOP and NOC				$ -	$ -	$ -
	I.4 - I.5 DRAFT EIR and NOC				$ -	$ -	$ -
	I.6 - I.7a & I.10 FINAL EIR, MMRPand NOD				$ -	$ -	$ -
	I.7b Attend Planning Commission/City Council Hearings				$ -	$ -	$ -
	I.8 & I.9a Project Meetings and Management				$ -	$ -	$ -
	BAE Optional 10% Contingency	$ 10,926			*$ 10,926*	$ 1,639	$ 12,564.90
	Reimburseable Expenses	$ 1,500	$ 1,425		*$ 2,925*	$ 439	$ 3,363.75
	Subconsultants Total	$ 121,686	$ 16,385	$ 30,300	*$ 168,371*	$ 25,256	**$ 193,627**

I. **Consultant's proposed budget for services related to EIR, if needed, is as follows:**

II. **The compensation for the Services shall not exceed the Contract Sum and total compensation for all Services during the Term of this Agreement shall not exceed the Contract Sum, as provided in Section 2.1 of this Agreement.**

III. **The City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:**

a. Line items for all the work performed, the number of hours worked, and the hourly rate.

b. Line items for all materials and equipment properly charged to the Services.

c. Line items for all other approved reimbursable expenses claimed, with supporting documentation.

d. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

IV. **The compensation for the Services shall not exceed the Contract Sum and total compensation for all Services during the Term of this Agreement shall not exceed the Contract Sum, as provided in Section 2.1 of this Agreement.**

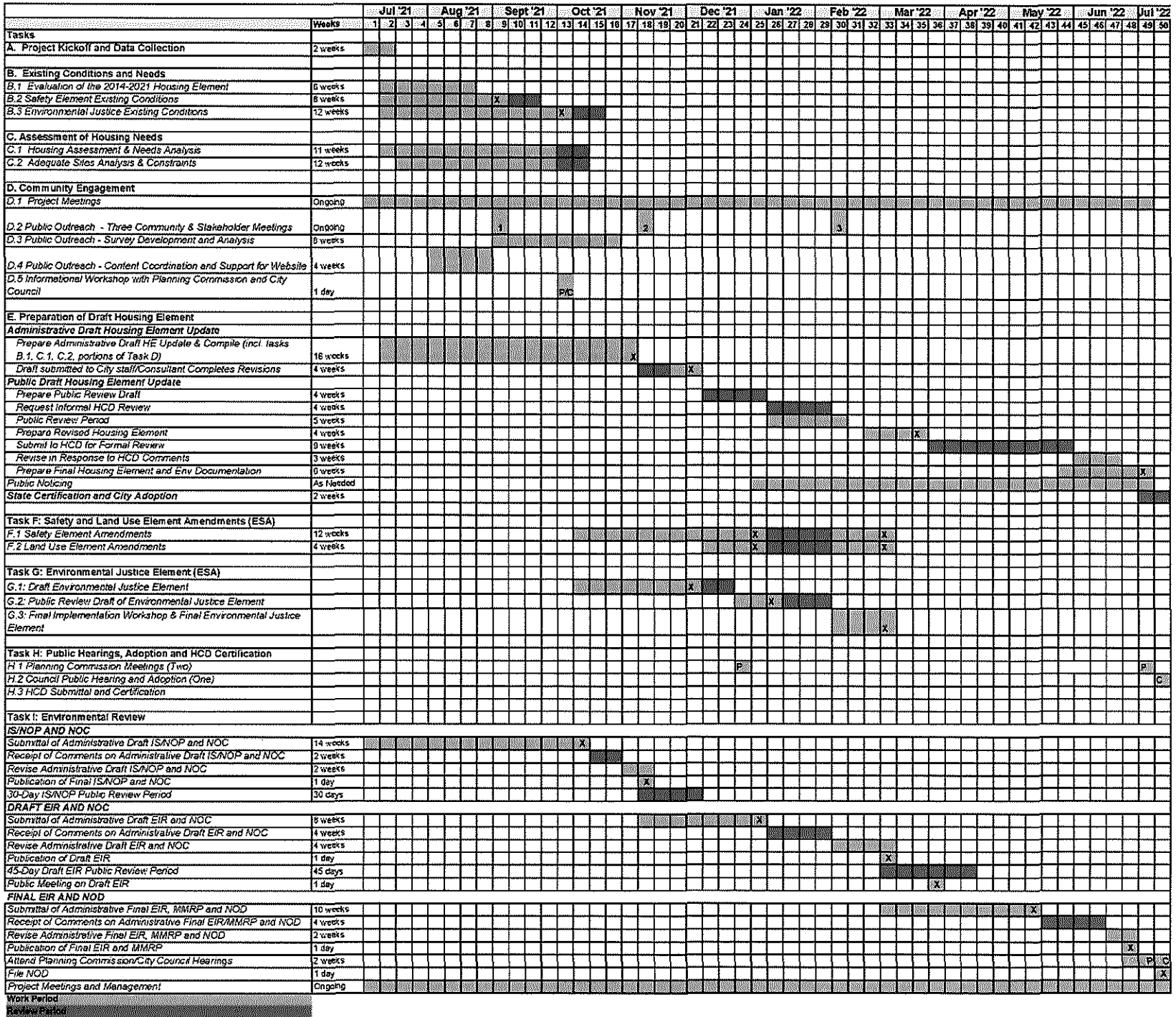
EXHIBIT "D"

SCHEDULE OF PERFORMANCE/TIMELINE

I. **Consultant shall perform the Services and deliver the tangible work products, in accordance with the schedules below:**

II. **Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the Services but not exceeding one (1) years from the date hereof,**

III. **The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.**


Jul '21
Aug '21
Sept '21
Oct '21
Nov '21
Dec '21
Jan '22
Feb '22
Mar '22
Apr '22
May '22
Jun '22
Jul '22
Tasks
Weeks
A. Project Kickoff and Data Collection
2 weeks
B. Existing Conditions and Needs
B.1 Evaluation of the 2014-2021 Housing Element
6 weeks
B.2 Safety Element Existing Conditions
6 weeks
B.3 Environmental Justice Existing Conditions
12 weeks
C. Assessment of Housing Needs
C.1 Housing Assessment & Needs Analysis
11 weeks
C.2 Adequate Sites Analysis & Constraints
12 weeks
D. Community Engagement
D.1 Project Meetings
Ongoing
D.2 Public Outreach - Three Community & Stakeholder Meetings
Ongoing
D.3 Public Outreach - Survey Development and Analysis
6 weeks
D.4 Public Outreach - Content Coordination and Support for Website
4 weeks
D.5 Informational Workshop with Planning Commission and City Council
1 day
P/C
E. Preparation of Draft Housing Element
Administrative Draft Housing Element Update
Prepare Administrative Draft HE Update & Compile (incl. tasks B.1, C.1, C.2, portions of Task D)
16 weeks
Draft submitted to City staff/Consultant Completes Revisions
4 weeks
Public Draft Housing Element Update
Prepare Public Review Draft
4 weeks
Request Informal HCD Review
4 weeks
Public Review Period
5 weeks
Prepare Revised Housing Element
4 weeks
Submit to HCD for Formal Review
9 weeks
Revise in Response to HCD Comments
3 weeks
Prepare Final Housing Element and Env Documentation
6 weeks
Public Noticing
As Needed
State Certification and City Adoption
2 weeks
Task F: Safety and Land Use Element Amendments (ESA)
F.1 Safety Element Amendments
12 weeks
F.2 Land Use Element Amendments
4 weeks
Task G: Environmental Justice Element (ESA)
G.1: Draft Environmental Justice Element
G.2: Public Review Draft of Environmental Justice Element
G.3: Final Implementation Workshop & Final Environmental Justice Element
Task H: Public Hearings, Adoption and HCD Certification
H.1 Planning Commission Meetings (Two)
H.2 Council Public Hearing and Adoption (One)
H.3 HCD Submittal and Certification
Task I: Environmental Review
IS/NOP AND NOC
Submittal of Administrative Draft IS/NOP and NOC
14 weeks
Receipt of Comments on Administrative Draft IS/NOP and NOC
2 weeks
Revise Administrative Draft IS/NOP and NOC
2 weeks
Publication of Final IS/NOP and NOC
1 day
30-Day IS/NOP Public Review Period
30 days
DRAFT EIR AND NOC
Submittal of Administrative Draft EIR and NOC
8 weeks
Receipt of Comments on Administrative Draft EIR and NOC
4 weeks
Revise Administrative Draft EIR and NOC
4 weeks
Publication of Draft EIR
1 day
45-Day Draft EIR Public Review Period
45 days
Public Meeting on Draft EIR
1 day
FINAL EIR AND NOD
Submittal of Administrative Final EIR, MMRP and NOD
10 weeks
Receipt of Comments on Administrative Final EIR/MMRP and NOD
4 weeks
Revise Administrative Final EIR, MMRP and NOD
2 weeks
Publication of Final EIR and MMRP
1 day
Attend Planning Commission/City Council Hearings
2 weeks
File NOD
1 day
Project Meetings and Management
Ongoing
Work Period
Review Period
X = Deliverable

CC Item 1E

☒City Council
☐Successor Agency
☐Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Mayor and Members of the City Council

From: William K. Tam, City Manager

Issue: Irwindale Business Center Sewer and Street Light Maintenance Assessment Districts Engineer's Report and Notice of Intent to Levy

City Manager/Executive Director's Recommendation:

That the City Council:

1) Adopt Resolution No. 2021-45-3257 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING AN ENGINEER'S REPORT FOR FISCAL YEAR 2021-2022 FOR MAINTENANCE, OPERATION, AND CAPITAL REPLACEMENT OF THE CITY'S SANITATION AND SEWERAGE SYSTEMS LOCATED WITHIN THE SEWER MAINTENANCE DISTRICT WITHIN THE IRWINDALE BUSINESS CENTER; DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN THE SEWER MAINTENACNE DISTRICT FOR FISCAL YEAR 2021-2022; AND GIVING NOTICE OF A DAY AND TIME FOR A VIRTUAL PUBLIC HEARING ON THE LEVY OF THE PROPOSED ASSESSMENTS.

2) Adopt Resolution No. 2021-46-3258 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING AN ENGINEER'S REPORT FOR FISCAL YEAR 2021-2022 FOR MAINTENANCE OF STREET LIGHTING LOCATED WITHIN THE STREET LIGHTING MAINTENANCE DISTRICT (THE IRWINDALE BUSINESS CENTER); DECLARING ITS INTENTION TO LEVY ASSESSMENTS WITHIN THE STREET LIGHTING MAINTENANCE DISTRICT FOR THE FISCAL YEAR 2021-2022; AND GIVING NOTICE OF A DAY AND TIME FOR A VIRTUAL PUBLIC HEARING ON THE LEVY OF THE PROPOSED ASSEMENTS.

3) Set the Public Hearing for July 14, 2021 to consider setting assessments for the two above-mentioned Assessment Districts.

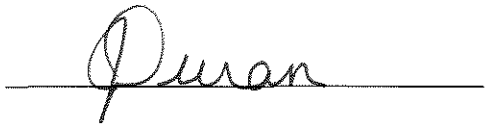
Administrative Action:

Submitted by:

Eva Carreon, Finance Director/City Treasurer
(626) 430-2221

Prepared by:

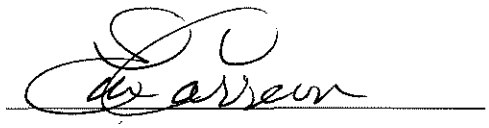
Jeanette Duran, Finance Manager



Reviewed by:

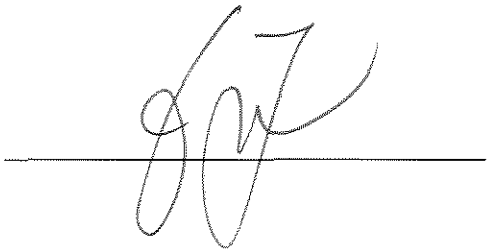
Adrian R. Guerra, City Attorney/Authority Counsel — ***Electronically Approved***

Eva Carreon, Finance Director/City Treasurer



Approved by:

William K. Tam, City Manager



Background and Analysis:

On or about June 28, 2001, in the Fiscal Year 2001-2002, the City Council of the City of Irwindale ("City Council") adopted the Sewer Maintenance District (Irwindale Business Center) and established a sewer maintenance charge for the Sewer Maintenance District for the manner of levying such charge and maximum amounts to be charged for the fiscal year pursuant to the Improvement Act of 1911 (Streets & Highways Code § 5000 et seq.) ("Act");

Furthermore, in Fiscal Year 2001-2002, the City of Irwindale ("City") formed the Street Lighting Maintenance District (Irwindale Business Center) Resolution Number 2001-42-1762, to generate revenue and finance the cost of providing maintenance for the existing public street lighting system within the Irwindale Business Center. The Irwindale Business Center is a 116-acre private industrial development and the improvements to be maintained within the Street Lighting Maintenance District are appurtenant thereto within and benefiting all assessable parcels of land within the Street Lighting Maintenance District.

In order to maintain the Sewer Assessment District and the Street Lighting Assessment District, both located within the Irwindale Business Center, (each, "Assessment District" and collectively, "Assessment Districts") and to establish the charge rate for the Fiscal Year 2021-2022 assessments, the City retained a professional engineering consulting

firm for the preparation of the Engineer's Report for each Assessment District. The Engineer's Report for the Irwindale Business Center Sanitation and Sewage System is prepared in accordance with the methodology stated in Section 5473 of the Health and Safety Code. The Engineer's Report for the Irwindale Business Center Street Lighting Maintenance District is prepared in accordance with the methodology stated in Article 4, Chapter 1, Part 2, Division 15 of the Streets and Highways Code, beginning with section 22565 et seq.

1) The proposed assessments will defray the City's costs in the administration of the Assessment Districts. The property owners will have an opportunity to address the City Council concerning the assessment district during the public hearing scheduled to be held during the virtual City Council Meeting on July 14, 2021. Following the completion of the public hearing, the City Council will vote on the property assessments for the street lighting and sewer maintenance charges for fiscal year 2021-2022 and instruct the County Assessor's office for the collection through tax bills.

2) Copies of the two draft Engineer's Reports are included with the Resolution for each Assessment District.

    a. The Sewer Maintenance District anticipated assessment Levy is $1,342.14 per Benefit Unit for FY 2021/2022, which is based on the estimated cost of operations, maintenance, and future lift station replacement for that year.

    b. The Street Lighting Maintenance District assessment to be levied is based upon each parcel within the boundaries of the District and the assessment was based solely on the benefit received from the street light maintenance. The Assessment per Benefit Unit is $121.26.

Fiscal Impact:
All costs for the maintenance and administration of the two Assessment Districts are budgeted and accounted for in the City's Irwindale Business Center Assessment District Funds 44 and 45. There is no impact to General Fund expenditures, and there is nominal revenue reimbursed to the General Fund as administrative overhead for staff time allocated to the two assessment districts.

Attachment:
- Resolution No. 2021-45-3257
- Irwindale Business Center Sewer Maintenance District Engineer's Report
- Resolution No. 2021-46-3258
- Irwindale Business Center Street Lighting Maintenance District Engineer's Report

RESOLUTION NO. 2021-45-3257

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING AN ENGINEER'S REPORT FOR FISCAL YEAR 2021-2022 FOR MAINTENANCE, OPERATION, AND CAPITAL REPLACEMENT OF THE CITY'S SANITATION AND SEWERAGE SYSTEMS WITHIN THE SEWER MAINTENANCE DISTRICT LOCATED WITHIN THE IRWINDALE BUSINESS CENTER; DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN THE SEWER MAINTENANCE DISTRICT FOR FISCAL YEAR 2021-2022; AND GIVING NOTICE OF A DAY AND TIME FOR A VIRTUAL PUBLIC HEARING ON THE LEVY OF THE PROPOSED ASSESSMENTS

WHEREAS, on or about June 28, 2001, in the fiscal year 2001-2002, the City Council of the City of Irwindale ("City Council") adopted the Sewer Maintenance District ("District") and established a sewer maintenance charge for the District for the manner of levying such charge and maximum amounts to be charged for the fiscal year pursuant to the Improvement Act of 1911 (Streets & Highways Code § 5000 et seq.) ("Act"); and

WHEREAS, pursuant to Government Code sections 53750 et seq. (Proposition 218), in adopting the sewer and maintenance charge for the fiscal year 2001-2002, the City complied with the notice, protest, and hearing requirements; and

WHEREAS, the City Council, by previous Resolution No. 2020-39-3149, has ordered Willdan Financial Services, to prepare and file with the City Clerk an Engineer's Report establishing fiscal year 2021-2022 assessments for the District ("Engineer's Report"); and

WHEREAS, an Engineer's Report entitled "Sewer Maintenance Charge (Irwindale Business Center) for Fiscal Year 2021-2022, made part hereof as Exhibit A, has been prepared and filed with the City Clerk and all interested persons are referred to the Engineer's Report for a full and detailed description of the sewer fees and charges (collectively "Sewer Maintenance Charge") and boundaries thereof, the work and the proposed amount and parcels within the boundaries subject to such the Sewer Maintenance Charge; and

WHEREAS, the Engineer's Report included in this resolution has been presented to the City Council; and

WHEREAS, the Engineer's Report does not provide any increase in the assessment methodology or any formula or range of assessments which will increase the assessments, rather the assessment for fiscal year 2021-2022 is proposed to increase based on the methodology approved by the City Council for the fiscal year 2001-2002and as such, under Government Code section 53753.5, the City need not further comply with the notice, protest and hearing requirements of section 53753; and

WHEREAS, pursuant to Government Code Section 53753.5, a public agency that has complied with the notice, protest, and hearing requirements of Section 53753 in establishing an assessment, need not follow those requirements in subsequent fiscal years where the assessment methodology is not changed to increase the assessment or the amount of the assessment proposed does not exceed an assessment formula or range of assessments adopted in accordance with Government Code Section 53750 et. seq. (Proposition 218); and

WHEREAS, the City Council has duly examined, inspected and considered each and every part of the Engineer's Report and is satisfied that the assessments have been spread in accordance with the benefits received from the services as set forth in the Engineer's Report; and

WHEREAS, the adoption of this Resolution, among other things, is required in order to levy the proposed assessments for Fiscal Year 2021-2022 for the District.

THE CITY COUNCIL OF THE CITY OF IRWINDALE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. The City Council hereby finds that each and every part of the Engineer's Report is sufficient, and the City Council hereby approves, passes on and adopts the Engineer's Report as submitted to the City Council and filed with the Deputy City Clerk. The report as may be amended at or prior to the public hearing shall stand as the Engineer's Report for the purposes of all subsequent proceedings pursuant to this Resolution.

SECTION 3. The public interest and convenience require, and it is the intention of the City Council to levy and collect assessments within the District ("Sewer Maintenance Charge"), generally described as including, but not limited to, maintenance of the sanitation and sewerage system appurtenant thereto within and benefiting assessable parcels of land within the District.

SECTION 4. The District shall provide for the installation, construction or maintenance of any authorized improvements under the Act, including, but not limited to, sanitation and sewerage systems and facilities which are appurtenant thereto. Reference is made to the Engineer's Report on file in the office of the Deputy City Clerk for a more detailed description of the work to be done, the amount of the proposed assessments and the method of assessment.

SECTION 5. The City of Irwindale provides sewer services to the properties described in the Engineer's Report and the City will incur expenses for operation and maintenance of the sanitation and sewerage system. The City Council does hereby

determine that the public interest, convenience and necessity require that the Sewer Maintenance Charge, as proposed, be imposed upon all real properties located within the District and be collected by placing the same on the tax bills issued pursuant to rolls for collection. Passage of this Resolution shall constitute the imposition of the Sewer Maintenance Charge for the fiscal year referred to in the Engineer's Report.

SECTION 6. Time and Place of Public Hearing. NOTICE IS HEREBY GIVEN THAT ON THE 14th DAY OF JULY 2021, AT THE HOUR OF 6:30 PM, OR AS SOON THEREAFTER AS THE MATTER MAY BE HEARD, IN THE COUNCIL CHAMBERS OF THE CITY COUNCIL IN THE CITY HALL, AT 5050 N. IRWINDALE AVENUE, IRWINDALE, CALIFORNIA, ANY AND ALL PERSONS SHALL BE AFFORDED THE OPPORTUNITY TO HEAR AND BE HEARD, AND THE CITY COUNCIL SHALL CONSIDER ALL ORAL STATEMENTS AND WRITTEN PROTESTS MADE OR FILED BY ANY INTERESTED PERSON REGARDING THE WORK PROPOSED TO BE DONE OR CARRIED OUT, OR WHY SAID ASSESSMENTS SHOULD NOT BE LEVIED IN ACCORDANCE WITH THIS RESOLUTION OF INTENTION. WRITTEN PROTESTS MUST BE FILED WITH THE DEPUTY CITY CLERK PRIOR AT THE CONCLUSION OF THE PUBLIC HEARING.

The Chief Deputy City Clerk is hereby directed to give notice of such public hearing by causing this resolution to be published and posted at least ten (10) days prior to the date set for public hearing.

SECTION 7. The Chief Deputy City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED, this 23rd day of June, 2021.

_____
H. Manuel Ortiz, Mayor

ATTEST:

_____
Laura Nieto
Chief Deputy City Clerk

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.
CITY OF IRWINDALE }

I, Laura Nieto, Chief Deputy City Clerk of the City of Irwindale, do hereby certify that the foregoing Resolution No. 2021-45-3257 was adopted at a regular meeting of the City Council of the City of Irwindale held on June 23, 2021, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

ABSTAIN: Councilmembers:

_____

Laura Nieto
Chief Deputy City Clerk

City of Irwindale

Sewer Maintenance District (Irwindale Business Center)

2021/2022 Engineer's Annual Levy Report

Intent Meeting: June 23, 2021
Public Hearing: July 14, 2021

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WILLDAN

ENGINEER'S REPORT AFFIDAVIT
Establishment of Sewer Maintenance Charge for the:

Irwindale Business Center

City of Irwindale
Los Angeles County, State of California

This Report identifies the parcels within the District, as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Los Angeles County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2021.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Irwindale

By:_____
Chonney Gano
Project Manager, District Administration Services

By:_____
Tyrone Peter
P. E. # C 81888

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll and Assessment Diagram thereto attached was filed with me on the _____day of_____, 2021.

By:_____
City Clerk, City of Irwindale
Los Angeles County, California

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll and Assessment Diagram thereto attached was approved and confirmed by the City Council of the City of Irwindale, California, on the _____day of_____, 2021.

By:_____
City Clerk, City of Irwindale
Los Angeles County, California

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I. Introduction

To establish a revenue source based on benefit to property for funding the maintenance of public sewer facilities in the 116-acre private development, Irwindale Business Center, the City Council directed the City Engineer to facilitate the formation of the Sewer Maintenance Charge (Irwindale Business Center) (the "District") under the Health and Safety Code ("H&SC"), Sections 5470 et. seq., entitled "Sanitation and Sewerage Systems" which provides a method for collecting funds for the maintenance of sewer facilities on the property tax bills. The funding supported the maintenance of a sewer system and a lift station and the future replacement of the lift station (estimated for the year 2026) in the area known as the Irwindale Business Center.

In Fiscal Year 2001/2002, the City Council of the City of Irwindale (the "City") established the Sewer Maintenance Charge (Irwindale Business Center). The noticing and balloting requirements and other applicable provisions of Article XIIID of the California State Constitution were followed with respect to the formation of the Sewer Charge. It was determined that the sewer maintenance charge was a property-related charge and should be levied upon each parcel within the boundaries of the Irwindale Business Center. A maximum charge rate of $829.38 per benefit unit ("BU") was established for Fiscal Year 2001/2002.

The rate imposed each year will be based on the estimated cost of operations, maintenance, and future lift station replacement for that year. For any year in which all other rates imposed under the Sewer Charge are adjusted by the change in the Consumer Price Index ("CPI"), the maximum rate will also be adjusted by the CPI.

Section 5473 of the H&SC requires this Engineer's Report ("Report") to be prepared and filed with the City Clerk each year for the purpose of establishing the charge rate. The charge rate for Fiscal Year 2021/2022 is presented herein in accordance with the methodology as set forth below.

Following approval of this Report, the City Council will hold a public hearing to provide an opportunity for any interested person to be heard. At the conclusion of the public hearing, the City Council may adopt a resolution confirming the levy of the charge as proposed or as modified.

II. Description of the Improvements

The City's existing sewer system facilities in the Irwindale Business Center include approximately 7,500 L.F. of 8" to 12" VCP gravity public sewer main and a sewer lift station, (3'-6" X 14", 1400 GPM, 75 HP dry well pumps and a 12,000 gallon wet well) built to capacity for the project.

III. Estimate of Cost

The cost of operation, maintenance, servicing of the improvements and the replacement of the lift station for Fiscal Year 2021/2022, as described above, are summarized herein and described as below.

SEWER MAINTENANCE COST ESTIMATE FOR FISCAL YEAR 2021/2022	
Beginning Fund Balances (07/01/2021)	
Lift Station Replacement Fund Balance	$181,412
Total Beginning Fund Balances	**$181,412**
Budget Items	
Annual Maintenance Cost (Sewer)	$12,000
Annual Maintenance Cost (Lift Station)	10,000
Engineering & Administrative Services	18,640
District Administration	1,900
Public Notice Publication	620
Legal Fees	170
Maintenance & Administration Costs	**$43,330**
Replace Lift Station / Bypass System(1)	$105,084
Loan Repayment(2)	0
Loan Interest Expense	0
Balance to Levy (3)	**$148,414**
Total BU	110.58
Levy per BU FY 2021/2022	$1,342.14
Max Rate per BU FY 2021/2022	$1,342.14
Estimated Ending Fund Balances (06/30/2022)	
Lift Station Replacement Fund Balance (1)	$286,496
Total Ending Fund Balances	**$286,496**

(1) Annual cost for the replacement of the lift station at the end of its useful life estimated to occur in the year 2016. This cost was estimated to be $750,000 in 2000. Due to increased equipment, material, and labor costs in 2007 the Los Angeles County Maintenance Division recommended a 30% increase to this estimate to a cost of replacement of $975,000. In addition, in 2014 the Los Angeles County Maintenance Division recommended construction of a bypass system to allow for continuous operation while routine maintenance continues to be performed on the gravity sewer main. Furthermore, the replacement of the station sewer piping shall use stainless steel pipes instead of ductile iron pipes. This increased the cost from $975,000 to $1,325,000. The replacement of the gravity sewer main was scheduled to begin in Fiscal Year 2014/2015 and was estimated to be completed in 2-3 years. As such, the total amount to collect became $1,325,000 - $825,000 (Collected through Fiscal Year 2013/2014) = $500,000 over the next 6 years starting Fiscal Year 2014/2015. Annual charge starting Fiscal Year 2014/2015 = $500,000/6 years = $83,333.33 per year. However, the City unexpectedly did emergency repair and replacement in Fiscal Year 2014/2015, as explained below, which depleted the funds. The City will continue to collect toward the Lift Station replacement to the maximum capacity allowed in order to replenish the fund.

(2) In Fiscal Year 2014/2015, the City replaced two deteriorated 10" main sewer discharge pipes at the lift station with two 8" high-density polyethylene pipes to prevent sewer spillage and to resume normal operations of the station. These two main sewer discharge pipes extend from the lift station along Charter Street and Tapia Street and the two main lines connect to the County Sanitation District Sewer Main line on Irwindale Avenue. The fund balance in the District did not have sufficient funds to cover the entire cost of the project. The City Council approved a loan from the General Fund in the amount of $375,000 to be paid off over 5 years with interest to cover this cost. First year loan repayment to start in Fiscal Year 2015/2016 and end in Fiscal Year 2019/2020. The loan was repaid in Fiscal Year 2019/2020.

(3) The net amount to be assessed upon assessable lands within the District being the total operating, maintaining, and servicing costs. Actual levy to the Los Angeles County will vary due to rounding.

IV. Method of Apportionment and Rate Calculator

The land use for all of the parcels within the boundaries of the Sewer Maintenance Charge area as the area fully develops will be industrial. It has been determined that the sewer maintenance charge is a property related charge, and that a charge based on parcel acreage is a reasonable method for apportioning the maintenance costs. The special benefit will be expressed as a Benefit Unit ("BU"). For every parcel one benefit unit (1.00 BU) will be assigned per acre.

- Developed and undeveloped parcels will be assessed one (1) benefit unit per acre.

- Exempt from the assessment would be the areas of public streets, public easements and rights-of-ways. Also exempt from assessment would be utility rights-of-way, common areas, and sliver parcels not developable, as these parcels do not benefit from the improvements.

The sewer lift station located on parcel 8417-036-900, the storm water detention basin on parcel 8417-027-094 which later became parcel 8417-027-908 and the utility easement to Valley County Water District on parcel 8417-035-900 do not benefit from the sewer system, and are exempt from the maintenance charge.

Southern California Edison has purchased parcel 8417-036-002 which became 8417-036-800. This parcel is not exempt from the Sewer Maintenance Charge and is assessed as parcel 9014-800-001(State Board of Equalization assigned parcel number or "SBE").

	Parcels	Acreage	Benefit Units
Developed and Undeveloped	21	107.85	107.85
Exempt	2	2.73	2.72
Total	**23**	**110.58**	**110.58**

The Fiscal Year 2021/2022 Sewer Maintenance Charge rate is calculated as follows:

The Maximum Allowable Assessment rate for Fiscal Year 2021/2022 is $1,342.14. The rate is calculated by adjusting the maximum rate established for Fiscal Year 2001-02 of $829.38 per BU by the Consumer Price Index ("CPI") for All Items, All Urban Consumers for the Los Angeles-Long Beach-Anaheim, Area for the prior year (CPI April 2020 = 275.853, CPI April 2021 = 285.808, increase of 61.83% cumulatively).

Sewer Maintenance Total Costs: $148,414

Sewer Maintenance Charge Rate Fiscal Year 2021/2022:

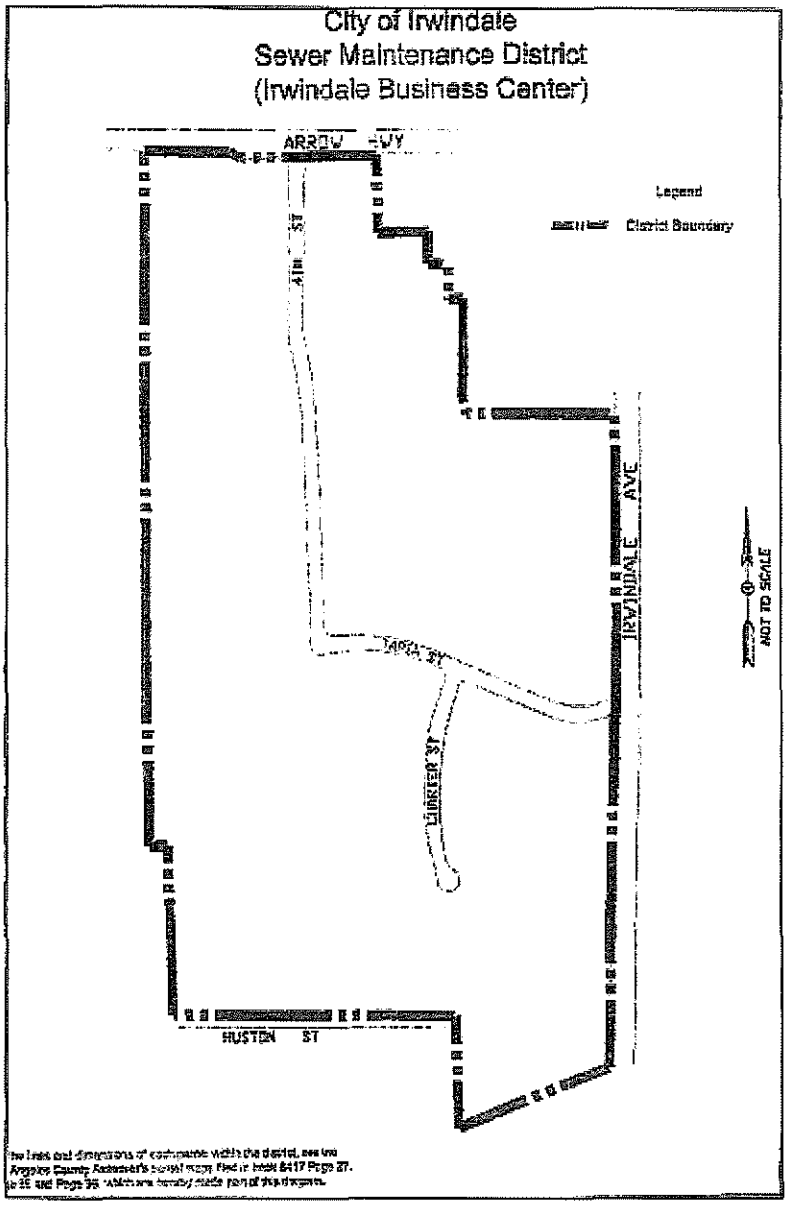
$148,414 ÷ 110.58 Total BU = $1,342.14/BU

Maximum Sewer Maintenance Charge Rate: $1,342.14 /BU

This maximum rate reflects the April 2020 to April 2021 CPI increase of 3.60% over last year's maximum rate of $1,295.50

V. District Assessment Diagram

The lines and dimensions of each lot or parcel within the Sewer Maintenance District are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles, and are incorporated by reference herein and made part of this Report.



VI. 2021/2022 Assessment Roll

The proposed Fiscal Year 2021/2022 charges apportioned to each parcel, as shown on the latest roll of the Assessor's Office, are below. The description of each lot or parcel is part of the records of the Assessor of the County of Los Angeles and these records are by reference made part of this Report.

City of Irwindale
Sewer Maintenance Charge (Irwindale Business Center)
Fiscal Year 2021/2022 Preliminary Assessment Roll

Assessor's Paracel Number	Situs	Address	Taxable Acreage	Benefit Unit Factor	EBU	Charge
8417-027-088	4775	IRWINDALE AVE	5.41	1.0	5.41	$7,260.98
8417-027-089	15800	TAPIA ST	3.87	1.0	3.87	5,194.08
8417-027-090	4821	CHARTER ST	6.49	1.0	6.49	8,710.49
8417-027-091	4889	4TH ST	10.73	1.0	10.73	14,401.16
8417-027-092	4821	4TH ST	3.03	1.0	3.03	4,066.68
8417-027-093	4818	4TH ST	4.77	1.0	4.77	6,402.01
8417-035-006	5091	4TH ST	15.01	1.0	15.01	20,145.52
8417-035-007	4981	4TH ST	8.03	1.0	8.03	10,777.38
8417-035-008	4982	4TH ST	2.02	1.0	2.02	2,711.12
8417-035-009	5012	4TH ST	2.14	1.0	2.14	2,872.18
8417-035-010	5082	4TH ST	5.82	1.0	5.82	7,811.25
8417-035-011	5086	4TH ST	4.66	1.0	4.66	6,254.37
8417-035-012	15751	TAPIA ST	4.17	1.0	4.17	5,596.72
8417-035-013	15761	TAPIA ST	8.68	1.0	8.68	11,649.78
8417-035-014	5027	IRWINDALE AVE	1.79	1.0	1.79	2,402.43
8417-035-015	4981	IRWINDALE AVE	1.98	1.0	1.98	2,657.44
8417-035-024	15662	ARROW HWY	0.72	1.0	0.72	959.63
8417-035-028	15700	ARROW HWY	1.18	1.0	1.18	1,583.73
8417-035-029	15716	ARROW HWY	0.46	1.0	0.46	616.04
8417-035-034	15612	ARROW HWY	0.50	0.0	0.50	671.07
8417-035-035	15642	ARROW HWY	2.22	0.0	2.22	2,984.92
8417-036-001	4781	IRWINDALE AVE	9.92	1.0	9.92	13,316.71
8417-036-800 [1]	4777	IRWINDALE AVE	6.98	1.0	6.98	9,364.11
Total:			**110.58**		**110.58**	**$148,409.80**
Parcel Count:						**23**

[1] Assessment for Southern California Edison's parcel was submitted under the company's SBE account 9014-800-001

RESOLUTION NO. 2021-46-3258

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING AN ENGINEER'S REPORT FOR FISCAL YEAR 2021-2022 FOR MAINTENANCE OF STREET LIGHTING LOCATED WITHIN THE STREET LIGHTING MAINTENANCE DISTRICT (THE IRWINDALE BUSINESS CENTER); DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN THE STREET LIGHTING MAINTENANCE DISTRICT FOR THE FISCAL YEAR 2021-2022; ANDGIVING NOTICE OF A DAY AND TIME FOR A VIRTUAL PUBLIC HEARING ON THE LEVY OF THE PROPOSED ASSESSMENTS

WHEREAS, on June 28, 2001, the City Council previously adopted Resolution 2001-42-1762 forming the Street Lighting Maintenance District located within the Irwindale Business Center ("District") pursuant the Landscaping and Lighting Act of 1972 (the "Act"), Part 2 of Division 15 of the Streets and Highways Code, to levy and collect assessments therein as set forth in an engineer's report adopted by the City Council and prepared for fiscal year 2001-2002; and

WHEREAS, the improvements to be maintained within the existing District are generally described as including, but not limited to, street lighting and facilities which are appurtenant thereto within and benefiting assessable parcels of land within the District; and

WHEREAS, pursuant to Government Code sections 53750 et seq. (Proposition 218), in adopting Engineer's Report and declare its intent to levy and collect assessments for the District for the fiscal year 2001-2002, the City complied with the notice, protest, and hearing requirements; and

WHEREAS, the City Council by previous Resolution No. 2020-40-3150, has ordered Willdan Financial Services, to prepare and file with the City Clerk an Engineer's Report establishing fiscal year 2021-2022 assessments for the District ("Engineer's Report"); and

WHEREAS, in accordance with Section 4 of Article XIII D of the California Constitution and the Act (collectively the "Assessment Law"), the Engineer's Report for Fiscal Year 2021-2022, made part hereof as Exhibit A, has been prepared and filed with the Deputy City Clerk and all interested persons are referred to the Engineer's Report for a full and detailed description of the boundaries of the District, the work and the proposed assessments upon the assessable lots and parcels of land within the District; and

WHEREAS, the Engineer's Report does not provide any increase in the assessment methodology or any formula or range of assessments which will increase the assessments, rather the assessment for fiscal year 2021-2022 is proposed to increase based on the methodology approved by the City Council for the fiscal year 2001-2002

and as such, under Government Code section 53753.5, the City need not further comply with the notice, protest and hearing requirements of section 53753; and

WHEREAS, in accordance with the Act, the Engineer's Report included in this resolution has been presented to the City Council; and

WHEREAS, pursuant to Government Code Section 53753.5, a public agency that has complied with the notice, protest, and hearing requirements of Section 53753 in establishing an assessment, need not follow those requirements in subsequent fiscal years where the assessment methodology is not changed to increase the assessment or the amount of the assessment proposed does not exceed an assessment formula or range of assessments adopted in accordance with Government Code Section 53750 et. seq. (Proposition 218); and

WHEREAS, the City Council has duly examined, inspected and considered each and every part of the Engineer's Report and is satisfied that the assessments have been spread in accordance with the benefits received from the services as set forth in the Engineer's Report; and

WHEREAS, the adoption of this Resolution, among other things, is required in order to levy the proposed assessments for Fiscal Year 2021-2022 for the District.

THE CITY COUNCIL OF THE CITY OF IRWINDALE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. Engineer's Report. The City Council hereby finds that each and every part of the Engineer's Report is sufficient, and the City Council hereby approves, passes on and adopts the Engineer's Report as submitted to the City Council and filed with the Deputy City Clerk. The report as may be amended at or prior to the public hearing shall stand as the Engineer's Report for the purposes of all subsequent proceedings pursuant to this resolution of Intention.

Section 3. Statement of Intention. The public interest and convenience require, and it is the intention of the City Council, to levy and collect assessments within the District, generally described as including, but not limited to, street lighting and facilities which are appurtenant thereto within and benefiting assessable parcels of land within the District, for the fiscal year 2021-2022.

Section 4. Description of Work. The District shall provide for the installation, construction or maintenance of any authorized improvements under the Act, including, but not limited to, street lighting and facilities which are appurtenant thereto. Reference is made to the Engineer's Report on file in the office of the Deputy City Clerk for a more

detailed description of the work to be done, the amount of the proposed assessments and the method of assessment.

Section 5. Description of Street Lighting and Maintenance District. The contemplated work, in the opinion of the City Council, is of special benefit to, and the City Council hereby makes the expense of said work chargeable upon, all the property within the District, which is more particularly described on a map on file in the office of the Deputy City Clerk, entitled "Irwindale Business Center Street Lighting and Maintenance District."

Section 6. Time and Place of Public Hearing. NOTICE IS HEREBY GIVEN THAT ON THE 14th DAY OF JULY 2021, AT THE HOUR OF 6:30 PM, OR AS SOON THEREAFTER AS THE MATTER MAY BE HEARD, IN THE COUNCIL CHAMBERS OF THE CITY COUNCIL IN THE CITY HALL, AT 5050 N. IRWINDALE AVENUE, IRWINDALE, CALIFORNIA, ANY AND ALL PERSONS SHALL BE AFFORDED THE OPPORTUNITY TO HEAR AND BE HEARD, AND THE CITY COUNCIL SHALL CONSIDER ALL ORAL STATEMENTS AND WRITTEN PROTESTS MADE OR FILED BY ANY INTERESTED PERSON REGARDING THE WORK PROPOSED TO BE DONE OR CARRIED OUT, OR WHY SAID ASSESSMENTS SHOULD NOT BE LEVIED IN ACCORDANCE WITH THIS RESOLUTION OF INTENTION. WRITTEN PROTESTS MUST BE FILED WITH THE DEPUTY CITY CLERK PRIOR TO THE CONCLUSION OF THE PUBLIC HEARING.

The Chief Deputy City Clerk is hereby directed to give notice of such public hearing by causing this resolution to be published and posted at least ten (10) days prior to the date set for public hearing.

Section 7. Street Lighting and Maintenance. All work proposed shall be done in accordance with the Act.

Section 8. Certification. The Chief Deputy City Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED, this 23rd day of June, 2021.

_____
H. Manuel Ortiz, Mayor

ATTEST:

_____
Laura Nieto
Chief Deputy City Clerk

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.
CITY OF IRWINDALE }

I, Laura Nieto, Chief Deputy City Clerk of the City of Irwindale, do hereby certify that the foregoing Resolution No. 2021-46-3258 was adopted at a regular meeting of the City Council of the City of Irwindale held on June 23, 2021, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

ABSTAIN: Councilmembers:

_____

Laura Nieto
Chief Deputy City Clerk

City of Irwindale

Street Lighting Maintenance District (Irwindale Business Center)

2021/2022 Engineer's Annual Levy Report

Intent Meeting: June 23, 2021
Public Hearing: July 14, 2021

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WILLDAN

ENGINEER'S REPORT AFFIDAVIT
Establishment of Annual Assessments for the:

Street Lighting Maintenance District
(Irwindale Business Center)

City of Irwindale
Los Angeles County, State of California

This Report describes the Street Lighting Maintenance District including the improvements, budget, parcels, and assessments to be levied for Fiscal Year 2021/2022, as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Los Angeles County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2021.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Irwindale

By:_____
Chonney Gano
Project Manager, District Administration Services

By:_____
Tyrone Peter
P. E. # C 81888

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll and Assessment Diagram thereto attached was filed with me on the _____day of_____, 2021.

By:_____
City Clerk, City of Irwindale
Los Angeles County, California

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll and Assessment Diagram thereto attached was approved and confirmed by the City Council of the City of Irwindale, California, on the _____day of_____, 2021.

By:_____
City Clerk, City of Irwindale
Los Angeles County, California

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I. Introduction

This Engineer's Report ("Report") has been prepared pursuant to and in compliance with the requirements of Article 4, Chapter 1, of the Landscaping and Lighting Act of 1972 (the "1972 Act") which is Part 2, Division 15 of the California Streets and Highways Code and Article XIIID of the Constitution of the State of California ("Article XIIID"), in Fiscal Year 2001/2002, the City of Irwindale ("City") formed the Street Lighting Maintenance District (Irwindale Business Center) ("District") to generate revenue and finance the cost of providing maintenance for the existing public street lighting system within the Irwindale Business Center. The Irwindale Business Center is a 116-acre private industrial development and the improvements to be maintained within the District are appurtenant thereto within and benefiting all assessable parcels of land within the District.

Noticing and balloting requirements and other applicable provisions of Article XIIID were followed with respect to the formation of the District. The assessment to be levied upon each parcel within the boundaries of the District and the assessment was based solely on the benefit received from street light maintenance. A maximum assessment rate of $97.29 per Benefit Unit ("BU") was established for Fiscal Year 2001/2002. For any year in which all other rates imposed under the District are adjusted by the change in the Consumer Price Index, the maximum rate will also be adjusted by the Consumer Price Index.

II. Facilities Maintained by the District

A) Street Lighting

The public street lighting system within the proposed District boundaries is owned by the Southern California Edison Company and currently consists of 22 lights, as shown below:

No. of Lights	Size in Lumens	Type of Light
22	16,000	High Pressure Sodium Vapor Lamps

III. Plans and Specifications

A) Improvements Authorized by the 1972 Act

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.

- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the Report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "Maintain" or "Maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.

- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

The improvements are the operation, maintenance, rehabilitation and servicing of lighting and appurtenant facilities. The facilities and improvements are described as follows:

B) Lighting and Appurtenant Facilities

Street lighting improvements include but are not limited to: poles, fixtures, bulbs, conduits, and conductors, equipment including guys, anchors, posts and pedestals, metering devices, and appurtenant facilities as required to provide safety lighting and traffic signals in public rights-of-way and dedicated easements within the boundaries of the District.

The public lighting system will be maintained to provide adequate illumination. Power for street lights will be furnished by the Southern California Edison Company, or such agency as determined by the City.

C) Operation

Operation includes, but is not limited to, the furnishing of personnel, electrical energy, materials, contracting services, administration, and other items and functions necessary for the satisfactory operation of the public lighting facilities and appurtenant facilities.

D) Maintenance

Maintenance means the furnishing of services and materials for the ordinary and usual operation, maintenance and servicing of the public lighting facilities and appurtenant facilities.

E) Rehabilitation

Rehabilitation means the repair, removal or replacement of all or part of any of the public lighting facilities or appurtenant facilities as required for their intended function.

F) Servicing

Servicing means the maintenance of any of the public lighting facilities or appurtenant facilities, and the furnishing of electric current or energy, gas or other illuminating agent for the public lighting facilities or appurtenant facilities.

The plans and specifications for the improvements are on file in the office of the City Engineer and are by reference herein made a part of this Report.

IV. Estimate of Cost

The cost of the operation, maintenance, rehabilitation, and servicing of the improvements for Fiscal Year 2021/2022, as described in Part III, are summarized herein and described below the table.

STREET LIGHTING MAINTENANCE COST ESTIMATE FOR FY 2021/2022	
REVENUE	
Beginning Fund Balance (7/01/2021) [1]	$24,916
Assessments (FY 2021/2022) [2]	13,400
Total Revenue	**$38,316**
EXPENDITURES [3]	
Utilities	
22 Street Lights (16,000 lumens)	
High Pressure Sodium Vapor Lamps	$2,600
Energy Charge Per Lamp	1,200
Anticipated SCE rate (Increase in FY 2021/2022)	0
Reserve (Fund Balance is able to offset unexpected utility) [4]	0
Assessment Engineering Services	1,900
District Administration	6,930
Legal Fees	170
Public Notice Publication	600
Total Expenditures	**$13,400**
Estimated Fund Balance (6/30/2022)	**$24,916**
Assessment per Benefit Unit	**$121.26**
Maximum Assessment per Benefit Unit	**$157.44**
Max Rate Per BU FY 2021/2022	**$157.44**
Levy per BU FY 2021/2022	**$121.26**
BU	**110.51**

Revenues

(1) The amount of any surplus or deficit in the improvement fund to be carried over from a previous Fiscal Year.

(2) The net amount to be assessed upon assessable lands within the District being the total operation, maintenance, and servicing costs. Actual levy to the County of Los Angeles will vary slightly due to rounding.

Expenditures

(3) The total costs for improvements to be made for the year, being the total costs of operation, maintenance, and servicing all existing improvements, including all incidental expenses.

(4) The expenditures may include a reserve that shall not exceed the estimated costs of maintenance and servicing to December 10 when the City expects to receive its apportionment of assessments from the Los Angeles County. For this Fiscal Year the reserve is not part of the assessment since the fund balance is enough to cover those costs.

V. Method of Apportionment of Assessment

A) General

Part 2 of Division 15 of the Streets and Highways Code, the Landscaping and Lighting Act of 1972, permits the establishment of assessment districts by cities for the purpose of providing certain public improvements which include operation, maintenance, rehabilitation, and servicing of street lights.

The 1972 Act requires that maintenance assessments be levied according to benefit rather than according to assessed value. Section 22573 provides that:

> "*The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.*"

In addition, Article XIIID requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Article XIIID provides that only special benefits are assessable and the City must separate the general benefits from the special benefits.

B) Proposition 218 Benefit Analysis

In conjunction with the provisions of the 1972 Act, Article XIIID addresses several key criteria for the levy of assessments, notably:

Article XIIID Section 2(d) defines District as follows:

"District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service";

Article XIIID Section 2(i) defines Special benefit as follows:

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."

Article XIIID Section 4(a) defines proportional special benefit assessments as follows:

"An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement,

or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

This District was formed to establish and provide for the improvements that enhance the presentation of the surrounding properties and developments. These improvements will directly benefit the parcels to be assessed within the District. The assessments and method of apportionment is based on the premise that the assessments will be used to construct and install landscape and lighting improvements within the existing District as well as provide for the annual maintenance of those improvements, and the assessment revenues generated by District will be used solely for such purposes.

The costs of the proposed improvements have been identified and allocated to properties within the District based on special benefit. The improvements to be provided by this District and for which properties will be assessed have been identified as an essential component and local amenity that provides a direct reflection and extension of the properties within the District which the property owners and residents have expressed a high level of support.

The method of apportionment (method of assessment) set forth in the Report is based on the premise that each assessed property receives special benefits from the landscape and lighting improvements within the District, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as compared to other properties that receive special benefits.

To identify and determine the proportional special benefit to each parcel within the District, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit from those improvements. The improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of only those improvements determined to be of special benefit to properties within the District. The various public improvements and the associated costs have been identified as either "general benefit" (not assessed) or "special benefit".

C) Apportionment by Parcel Size

Acreage has been selected as the principal unit for calculating the special benefit conferred upon the parcels by the street lighting improvements and for apportioning the total assessment. The special benefit will be expressed as Benefit Unit (BU). Every parcel will be assigned one benefit unit (1.0 BU) per acre.

- **All developed and undeveloped parcels.** All parcels will be assessed one (1) benefit unit per acre.

- **Exempt.** Exempt from the assessment would be the areas of public streets, public easements and rights-of-ways. Also exempt from assessment would be utility rights-of-way, common areas, and sliver parcels not developable, as these parcels do not benefit from the improvements. The storm water detention basin on parcel 8417-027-094, which became 8417-027-908 and the utility easement to Valley County Water District on parcel 8417-035-900 do not benefit from the lighting system and are exempt from the lighting assessment.

  Southern California Edison has purchased parcel 8417-036-002, which became 8417-036-800. This parcel is not exempt from the lighting assessment and is assessed as State Board of Equalization ("SBE") parcel 9014-800-001.

  The sewer lift station located on parcel 8417-036-900 benefits: therefore, it is not exempt and is included in the lighting assessment.

A summary of Benefit Unit (BU) rates is shown in the table below:

Land-Use Category	Basic Unit		BU Factor		BU Rates
Exempt	0 acres	X	0.0	=	0.0 BU/Acre
All other	1 acres	X	1.0	=	1.0 BU/Acre

D) Special Benefit Determination

Street Lighting: Proper maintenance and operation of the street lighting system benefits all properties by enhancing overall safety, mitigating crime, alleviating the fear of crime, and promoting business and industry.

Street lighting provides special and direct benefit to all properties within the District as these lighting benefits are directly related to the positive enhancement of the area and therefore increase property desirability.

E) Assessment Rate Calculation

The Maximum Allowable Assessment rate for Fiscal Year 2021/2022 is $157.44. This rate is calculated by adjusting the maximum rate established for Fiscal Year 2001/2002 of $97.29 per Benefit Unit by the Consumer Price Index ("CPI") for All Items, All Urban Consumers for the Los Angeles-Long Beach-Anaheim Area. The maximum rate reflects the April 2020 to April 2021 CPI increase of 3.60% over the maximum rate of $151.96 for Fiscal Year 2020/2021.

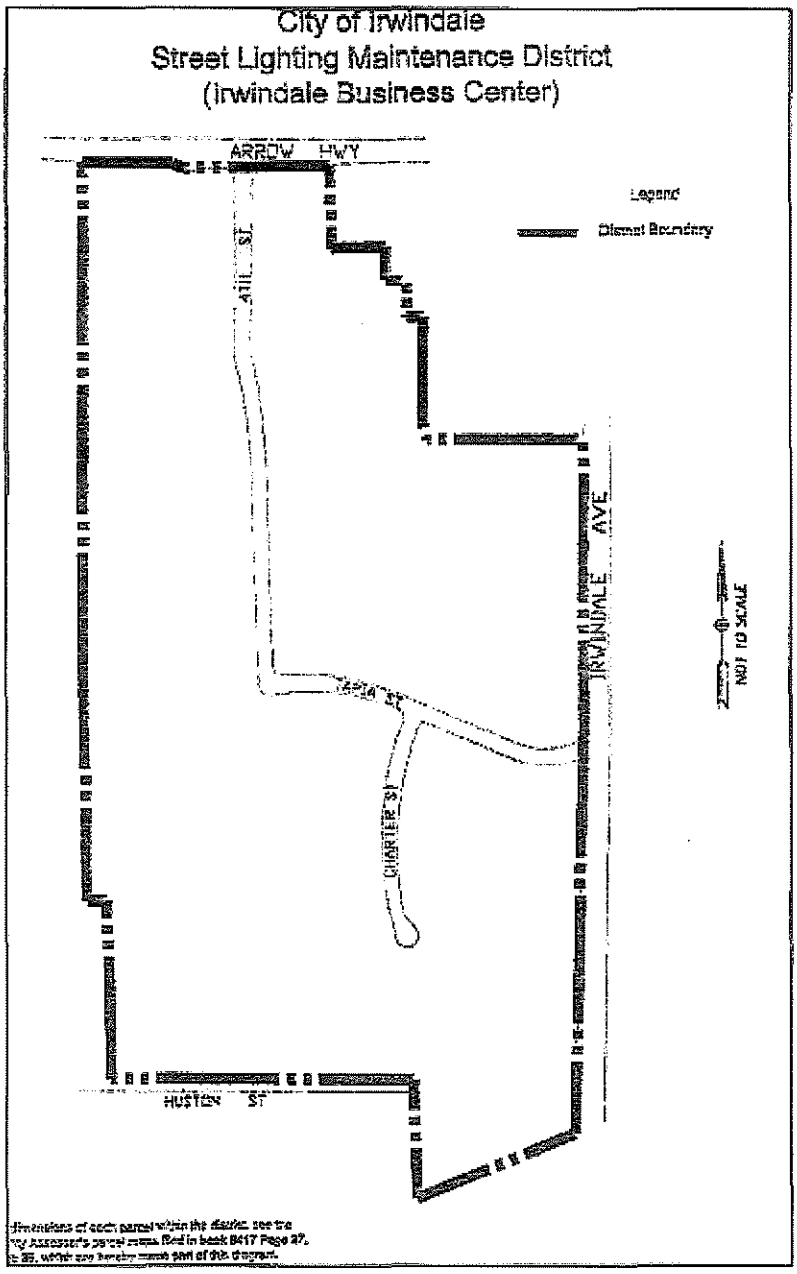
Land Use	Parcels	Acreage	Benefit Units
All Developed and Undeveloped	24	110.51	110.51
Exempt	0	0.00	0.00
Total:	24	110.51	110.51

As shown in the budget in section IV, the assessment rate for Fiscal Year 2021/2022 is $121.26 per BU.

Each year, as the City maintains the existing street lighting improvements, the rate per BU will be calculated according to the current year's operations and maintenance budget.

VI. Boundary Map

The lines and dimensions of each lot or parcel within the Street Lighting Maintenance District are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles, and are incorporated by reference herein and made part of this Report.



VII. Assessment Roll

The proposed Fiscal Year 2021/2022 charges apportioned to each parcel, as shown on the latest roll of the Assessor's Office, are below. The description of each lot or parcel is part of the records of the Assessor of the County of Los Angeles and these records are by reference made part of this Report.

City of Irwindale
Street Lighting and Maintenance District (Irwindale Business Center)
Fiscal Year 2021/2022
Preliminary Assessment Roll

Assessor's Parcel Number	Situs	Address	Taxable Acreage	Benefit Unit Factor	EBU	Charge
8417-027-088	4775	IRWINDALE AVE	5.41	1.0	5.41	$656.02
8417-027-089	15800	TAPIA ST	3.87	1.0	3.87	469.28
8417-027-090	4821	CHARTER ST	6.49	1.0	6.49	786.98
8417-027-091	4889	4TH ST	10.73	1.0	10.73	1,301.12
8417-027-092	4821	4TH ST	3.03	1.0	3.03	367.42
8417-027-093	4818	4TH ST	4.77	1.0	4.77	578.41
8417-035-006	5091	4TH ST	15.01	1.0	15.01	1,820.11
8417-035-007	4981	4TH ST	8.03	1.0	8.03	973.72
8417-035-008	4982	4TH ST	2.02	1.0	2.02	244.95
8417-035-009	5012	4TH ST	2.14	1.0	2.14	259.50
8417-035-010	5082	4TH ST	5.82	1.0	5.82	705.73
8417-035-011	5086	4TH ST	4.66	1.0	4.66	565.07
8417-035-012	15751	TAPIA ST	4.17	1.0	4.17	505.65
8417-035-013	15761	TAPIA ST	8.68	1.0	8.68	1,052.54
8417-035-014	5027	IRWINDALE AVE	1.79	1.0	1.79	217.06
8417-035-015	4981	IRWINDALE AVE	1.98	1.0	1.98	240.09
8417-035-024	15662	ARROW HWY	0.72	1.0	0.72	86.70
8417-035-028	15700	ARROW HWY	1.18	1.0	1.18	143.09
8417-035-029	15716	ARROW HWY	0.46	1.0	0.46	55.66
8417-035-034	15612	ARROW HWY	0.50	1.0	0.50	60.63
8417-035-035	15642	ARROW HWY	1.95	1.0	1.95	236.46
8417-036-001	4781	IRWINDALE AVE	9.92	1.0	9.92	1,203.14
8417-036-800 [1]	4777	IRWINDALE AVE	6.98	1.0	6.98	846.39
8417-036-900	NO	SITUS AVAILABLE	0.20	1.0	0.20	24.25
Total:			**110.51**		**110.51**	**$13,399.97**
Parcel Count:						**24**

[1] Assessment for Southern California Edison's parcel is submitted under the company's SBE account 9014-800-001

Note: Totals may not foot and total Balance to Levy differs slightly from assessment roll due to rounding.

CC Item 1F

☒City Council
☐Successor Agency
☐Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Mayor and Members of the City Council

From: William K. Tam, City Manager

Issue: Second Amendment to the Services Agreement and Third Amendment to the Lease Agreement with the Irwindale Chamber of Commerce Extending Existing Agreements for 90 Days

City Manager's Recommendation:

It is the recommended that the City Council approve the following:

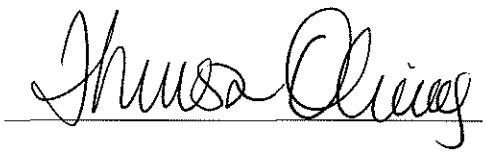
1) Second Amendment to the Services agreement between the City of Irwindale and the Irwindale Chamber of Commerce.

2) Third Amendment to the Lease Agreement between the City of Irwindale and the Irwindale Chamber of Commerce.

Administrative Action:

Submitted by:

Theresa Olivares, Assistant City Manager
(626) 430-2294



Prepared by:

Iris Espino, Economic Development Coordinator

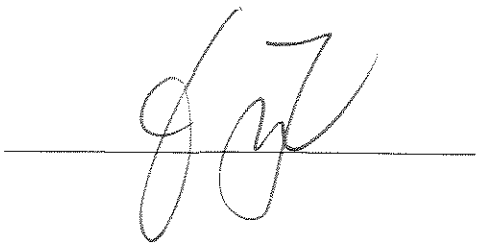
Reviewed by:

Adrian Guerra, City Attorney — **Electronically Approved**

Eva Carreon, Finance Director / City Treasurer

Approved by:

William Tam, City Manager



Background and Analysis:

Since 2008, the Irwindale Chamber of Commerce, through a Services Agreement with the City of Irwindale, has provided services to the City and businesses who are Chamber members. They have proven to be an invaluable resource to the business community and an outstanding partner with the City of Irwindale.

The current Services Agreement provides an instrument by which both parties can identify their respective roles and expectations in consideration of the financial assistance provided to the Chamber by the City. The 2018 Services Agreement was amended in 2020 to update the scope of services and compensation, beginning July 1, 2020 and ending June 30, 2021. The total annual contract amount is $30,000.

In addition, the City entered into a lease agreement with the Irwindale Chamber on July 1, 2007, which was amended on July 1, 2105 and July 1, 2020. The current lease agreement will expire June 30, 2021. Per the second amendment agreement, the monthly rent rate paid by the Irwindale Chamber is $400.00.

On June 15, 2021, staff received a request from the Irwindale Chamber to extend the current lease and services agreements for a period of 90 days to allow the Irwindale Chamber Board of Directors and City staff to discuss and review a new lease and rental agreement for FY 2021-2022 that is agreeable amongst both parties. Staff is understands the timing sensitivity and has agreed to accommodate the Irwindale Chamber of Commerce with this request.

Attached is a draft amendment to the Lease Agreement and a draft amendment to the Service Agreement, both subject to approval as to form by the City Attorney.

Fiscal Impact:

There is no fiscal impact at this time in approving the proposed amendments to the Services and Lease agreements between the City and the Chamber for a period of 90 days. The FY 2021-2022 Budget already reflects the current rental revenue, as well as the expenditure for the City's compensation to the Chamber.

Attachment(s):

1. Third Amendment to Lease Agreement with the Irwindale Chamber of Commerce
2. Second Amendment to Services Agreement with the Irwindale Chamber of Commerce
3. Email from Irwindale Chamber CEO Requesting 90 day extension on Services and Lease Agreement

THIRD AMENDMENT TO LEASE AGREEMENT

This THIRD AMENDMENT TO LEASE AGREEMENT ("Amendment") is made and entered into as of this 1st day of July, 2021 by and between the CITY OF IRWINDALE, a California municipal corporation ("City") and IRWINDALE CHAMBER OF COMMERCE, a California non-profit corporation ("Tenant").

RECITALS

A. On or about July 1, 2015, City and Tenant entered into that certain Lease ("Lease"), pursuant to which City agreed to rent to Tenant that certain real property legally described in Exhibit "A" to the Lease and commonly known as 16102 East Arrow Highway, Irwindale, California, and referred to in the Lease as the "Building", which consisted of 1,731 square feet of space within the Building, including the exclusive use of the area on the first floor consisting of two (2) office spaces, one (1) reception area, one (1) conference room, (1) storage room and (1) closet located upstairs next to the elevator, as more particularly described in the Lease and referred to therein as the "Premises").

B. On or about July 1, 2018, the City and Chamber amended the Lease to extend the term for two (2) years, commencing July 1, 2018 and ending on June 30, 2020; allowing the City to extend the Lease for two (2) additional terms of two (2) years (First Amendment).

C. On or about July 1, 2020, the City and Chamber amended the Lease to reflect the reduced Premises leased by Tenant, comprising of two (2) office spaces, (1) storage room and (1) closet and the shared use with the City of the reception area and conference room in the Building extending the Lease for one (1) year, commencing July 1, 2020 and ending on June 30, 2021 (Second Amendment).

D. The parties further wish to Amend the term of the Lease to reflect the reduced Premises being leased and extend the Term of the Lease for a period of ninety (90) days pursuant to the terms of this Second Amendment to permit the Chamber Board to review the terms of the City's proposed Lease Agreement and Services Agreement for Fiscal Year 2021-2022 (Third Amendment).

NOW, THEREFORE, the parties agree that the Lease shall be revised pursuant to the following terms of this Amendment:

1. Section 2 of the Lease, entitled "Term," is hereby amended in its entirety to reflect a three (3) month extension to the term of the Lease. The revised Section 2 of the Lease shall read as follows:

"1. **Term.** Unless earlier terminated in accordance with the terms of this Lease (including Section 28), the term of this Lease is one (1) year and three (3) months, commencing on July 1, 2020, and ending on September 30, 2021 ("Term")."

2. Section 3 of the Lease, entitled "Rent," is hereby amended in its entirety to reflect the reduced rental value of the Premises. The revised Section 2 of the Lease shall read as follows:

"3. **Rent.** Without prior notice or demand by City, Tenant shall pay, without prior notice or demand by City, the sum of Four Hundred Dollars and Zero Cents ($400.00) per month commencing July 1, 2020 through September 30, 2021 (**"Rent").**

All Rent shall be paid in advance, on or before the first day of each calendar month during the Term of this Lease. Rent for any period during the Term which is less than one (1) month shall be prorated, assuming a thirty (30) day month. Rent shall be paid to City, without deduction or offset, in lawful money of the United States of America, at 5050 N. Irwindale Avenue, Irwindale, California 91706, or at such other place as City may designate in writing."

3. Section 29 of the Lease, entitled "By City" is hereby amended to replace the reference to July 1, 2016 with July 1, 2021. Except as so modified, the remaining language of Section 29 shall remain unmodified and in full force and effect.

4. Exhibit "A" attached to the Lease, depicting the Premises and entitled "CHAMBER OF COMMERCE" shall be replaced with Exhibit "A" to this Amendment, which reflects the new leased area, as amended under Section 1 of this Amendment.

5. Due Execution. The person(s) executing this Amendment on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment on behalf of said party, (iii) by so executing this Amendment, such party is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which said party is bound.

6. Full Force and Effect. The parties further agree that, except as specifically provided in this Amendment, the terms of the Lease shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed and entered into this Amendment as of the date first written above.

CITY:

CITY OF IRWINDALE

_____
H. Manuel Ortiz, Mayor

ATTEST:

_____
Laura Nieto, Chief Deputy City Clerk

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

_____
Adrian R. Guerra, City Attorney

TENANT:

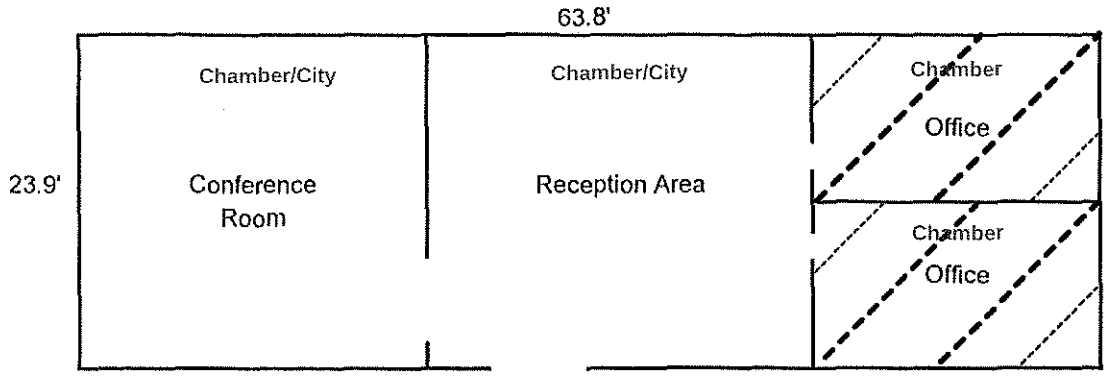
IRWINDALE CHAMBER OF COMMERCE

By: _____
Nicole Shahenian, President and CEO

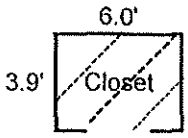
By: _____
Jeff Lidskin, Chairman of the Board

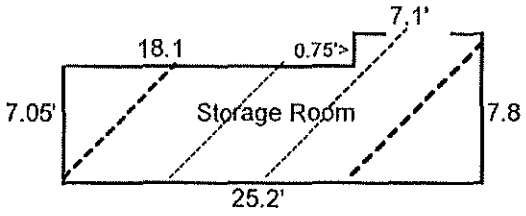
[END OF SIGNATURES]

EXHIBIT "A"
DEPICTION OF PREMISES

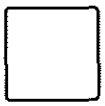


MAIN OFFICES





- New Lease Space



- Shared Space

SECOND AMENDMENT TO SERVICES AGREEMENT

This SECOND AMENDMENT TO SERVICES AGREEMENT ("Amendment") is made and entered into as of this 1st day of July 2021 by and between the CITY OF IRWINDALE, a California municipal corporation ("City") and IRWINDALE CHAMBER OF COMMERCE, a California non-profit corporation ("Chamber").

RECITALS

A. The City recognizes the important contributions the Chamber offers to economic development, business retention and community support.

B. The City wishes to continue that important partnership on a more formal and structured basis.

C. On or about June 27, 2018, City and Chamber entered into that certain Services Agreement ("Agreement"), pursuant to which City agreed to compensate the Chamber and assist with additional administrative cooperation that me be required to accomplish the services required under the Agreement.

D. On or about July 1, 2020, the City and Chamber amended the Agreement to update the Scope of Services and Compensation (First Amendment).

E. The City and Chamber are desirous of extending the term of the Agreement for ninety (90) days under the same terms as those set forth under the First Amendment to permit the Chamber Board to review the terms of the City's proposed Lease Agreement and Services Agreement for Fiscal Year 2021-2022 (Second Amendment).

NOW, THEREFORE, the parties agree that the Agreement shall be revised pursuant to the following terms of this Amendment:

1. Section 2.1 of the Agreement, entitled "Scope of Services," is hereby amended to read as follows:

> "2.1. **Scope of Services**. In compliance with all of the terms and conditions of this Agreement, the Chamber shall perform the revised work or services set forth in the "Scope of Services" attached hereto as Exhibit "A".

2. Section 3.1 of the Agreement, entitled "Contract Sum," is hereby amended to read as follows:

> "3.1. **Contract Sum**. For the services rendered pursuant to this Agreement, the Chamber shall be compensated in seven (7) equal installments of $7,500 (Seven Thousand Five Hundred and no cents), but not to exceed $37,500.00 for services rendered between July 1, 2020 and September 30, 2021.

2. Section 6.1 of the Agreement entitled "Term" shall be amended in its entirety to read as follows:

> 6.1 Term. Unless earlier terminated in accordance with Section 6.2 below, this Agreement shall continue in full force and effect from July 1, 2020 through September 30, 2021.

3. Due Execution. The person(s) executing this Amendment on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment on behalf of said party, (iii) by so executing this Amendment, such party is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which said party is bound.

4. Full Force and Effect. The parties further agree that, except as specifically provided in this Amendment, the terms of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed and entered into this Amendment as of the date first written above.

CITY:

CITY OF IRWINDALE

_____

H. Manuel Ortiz, Mayor

ATTEST:

_____

Laura Nieto, Chief Deputy City Clerk

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

_____
Adrian R. Guerra, City Attorney

TENANT:

IRWINDALE CHAMBER OF COMMERCE

By: _____
Nicole Shahenian, President and CEO

By: _____
Jeff Lidskin, Chairman of the Board

[END OF SIGNATURES]

EXHIBIT "A"
SCOPE OF SERVICES

The **CHAMBER** shall be responsible for providing the following:

1. **Cornerstone Club Member**

   Recognize **CITY** as a Cornerstone Club Member at the highest level, receiving all consideration, benefits, sponsorship and advertising opportunities which inure to the benefit of Cornerstone Club members.

2. **Economic Vitality**

   A. Serve as information bureau to its members and new businesses by properly communicating **CITY** information. The information bureau shall serve the residential community.

   B. Answer inquiries concerning community facilities and services, and referring callers to appropriate **CITY** departments.

3. **Promoting the Community**

   A. Chamber Newsletter

      i. Produce and e-mail monthly to all business members.

   B. Website.
      i. Maintain up-to-date website with pertinent community information with links to **CITY's** website.

   C. Promote the City activities and initiatives via the Chamber Social Media Network.

4. **Community Activities**

   A. Work with **CITY** in co-sponsoring agreed upon community activities and be responsible for publicizing **CITY** and/or **CHAMBER** sponsored activities.

      i. Promote **CITY** events by providing a link on **CHAMBER** website to the **CITY** website.

   B. Showcase **CITY** dignitaries and employees and Young Citizen at **CHAMBER** events.

i. Citizen of the Year. Conduct Citizen of the Year Award in collaboration with City Manager or designee.

ii. Golf Tournament

a. Provide **CITY** up to two (2) complimentary golf foursomes (P1).

iii. Installation Dinner

a. Invite Mayor to preside over swearing-in ceremony for Board of Directors and Young Citizen invited to partake in opening ceremony.

b. Recognize **CITY** as co-partner in event promotion. It is understood said co-partnership does not constitute any additional commitment of funds from **CITY** beyond those in Section 3.1 of this Agreement.

c. Provide **CITY** up to two (2) complimentary tables.

5. City Representation at Chamber Functions

Provide **CITY** with 24 complimentary seats during the term of this Agreement at events, luncheons, breakfasts, or mixers.

6. Education Programs

At **CHAMBER's** discretion, **CHAMBER** may disseminate information to the business community of pending Federal, State, and City legislative actions that may impact the community, its citizens, and businesses.

7. Quarterly Report

Present a written and verbal report to the **CITY** quarterly, at a City Council meeting, summarizing the current activities in compliance with the requirements of this Agreement.

8. Strategic Business Plan

Submit a Strategic Business Plan to the City Council by the last business day of March, 2021 for review and comment.

9. Funding Process

On April 1, 2021, CHAMBER shall submit a recap of **CHAMBER** activities conducted during the previous fiscal year. The funding required shall be considered by the City Council in its annual budget development process for its consideration, in its discretion, of the funding level for future extensions of this Agreement, if any, when the City Council adopts the City Budget prior to June 30, 2021.

10. Audit

CHAMBER shall permit a designated **CITY** representative to examine the financial records of the **CHAMBER** during normal business hours.

11. City Assistance

In order to carry out some programs and activities called for in this Agreement, it may be necessary for the **CITY** to provide assistance to **CHAMBER**. Such activities may include E-Waste Collection and Fall Forum. Upon completion of established application procedures (or in written form if no application procedure exists), availability and approval by **CITY**, **CITY**, as its sole discretion, may provide **CHAMBER** with facilities, personnel and other assistance **CITY** deems fit. It is understood there will be no charge to **CHAMBER** for this assistance.

Iris Espino

From: Nicole Shahenian <ceo@irwindalechamber.org>
Sent: Tuesday, June 15, 2021 5:30 PM
To: Iris Espino
Cc: Jeffrey Lidskin
Subject: RE: Extension of Chamber FY 2020-2021 Rental and Services Agreements with the City

Importance: High

CAUTION: This email originated from outside of the City. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Iris. Please disregard my previous e-mail. There was a typo. Sorry about any confusion! The correct request is as follows.

The Irwindale Chamber of Commerce is respectfully requesting a 90-day extension of both our FY 2020-2021 Rental Agreement and our FY 2020-2021 Services Agreement with the City. This extension will allow more time for our Board to review the terms of the City's proposed Rental and Service Agreements for FY 2021-2022.

Please let us know if this is possible.

Thank you so much!

Warmest Regards,

Nicole J. Shahenian
President & CEO
Irwindale Chamber of Commerce
Nicole@irwindalechamber.org |Office: (626)960-6606

From: Nicole Shahenian
Sent: Tuesday, June 15, 2021 4:54 PM
To: Iris Espino <iespino@IrwindaleCA.gov>
Cc: Jeffrey Lidskin <jeffrey.lidskin@sce.com>
Subject: Extension of Chamber FY 2020-2021 Rental and Services Agreements with the City
Importance: High

CC Item 1G

☒City Council
☐Successor Agency
☐Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Mayor and Members of the City Council

From: William K. Tam, City Manager

Issue: First Amendment to Agreement for As-needed Construction Inspection Services for a Water Pipeline Extension Project

City Manager's Recommendation:

That the City Council:

1) Approve and authorize the City Manager to execute a First Amendment to an agreement with FCG Consultants increasing the contract amount by $100,000 for a total of $270,000 for as-needed construction inspection services for a water pipeline extension project.

Administrative Action:

Submitted & Prepared by:

Elizabeth Rodriguez, Public Services Director
(626) 430-2211

Reviewed by:

Adrian R. Guerra, City Attorney — Electronically approved

Eva Carreon, Finance Director / City Treasurer

Approved by:

William Tam, City Manager

Background and Analysis:

1) On December 9, 2020, City Council approved the award of contract to FCG Consultants, Inc. for as-needed construction inspections services for a water pipeline project.

2) California American Water Company provides water services to the portion of The Park at Live Oak Development Project, a 78.3-acre property, located at 1200, 1220, and 1270 Arrow Highway, which is approved to develop an industrial park/logistics/commercial retail center. With a maximum 1,550,000 square feet of building space proposed at this location, the property requires the installation and extension of a utility infrastructure prior to the start of the building construction, which includes access to a water line system.

3) California American Water Company (Cal American) provides water services to this portion of the City of Irwindale where the project is located. The Park at Live Oak Development team met with and obtained approval from Cal American to extend their water main line through to the project site. The new line varies between 12" to 16" lines and covers approximately 2 ½ miles along Buena Vista Street, Avenida Barbosa, Arrow Highway, and Live Oak Avenue.

4) The project commenced on August 5, 2020 and it is anticipated that this project will be completed by November 2021. The project originally required one full-time inspector during the day. As the project progressed, the contractor requested to run two shifts for a 24-hour period, a day shift and a night shift, which required a second inspector for the project. The use of two inspectors has depleted the original deposit of $170,000 and Staff is requesting an additional $100,000 deposit. The increased funding requires a First Amendment to the original contract agreement in order to revise the contract amount from $170,000 to $270,000 for FCG Consultants.

5) The City Attorney has reviewed and approved the First Amendment to the Agreement for As-needed Construction Inspection Services for a Water Pipeline Extension Project.

Fiscal Impact:
Santa Fe Management (Irwindale Partners – Property Owner/Developer) has been invoiced and is required to submit a deposit in the amount of $100,000 for the completion of this project. All charges for the construction inspection services contract will be charged against the deposit; Therefore, there is no fiscal impact to any City funds.

Attachment(s):
1. First Amendment to the Contract Services Agreement between the City of Irwindale and FCG Consultants for Construction Inspection Services for a Pipeline

FIRST AMENDMENT TO
AGREEMENT FOR AS-NEEDED CONSTRUCTION INSPECTION SERVICES
FOR A WATER PIPELINE EXTENSION PROJECT

This "FIRST AMENDMENT TO AGREEMENT FOR AS-NEED CONSTRUCTION INSPECTION SERVICES FOR A WATER PIPELINE EXTENSION PROJECT" ("Amendment") is made and entered into this 23rd day of June 2021, by and between the City of Irwindale, a California municipal corporation ("City") and FCG Consultants, Inc., a California corporation ("Contractor").

RECITALS

WHEREAS, on or about December 9, 2020, the City and Contractor entered into that certain Agreement for As-needed Construction Inspection Services for a Water Pipeline Extension Project ("Agreement"), not to exceed the maximum contract amount of One Hundred and Seventy Thousand and 00/100 Dollars ($170,000.00).

WHEREAS, the Park at Live Oak Development Project is a 78.3-acre property, located at 1200, 1220, and 1270 Arrow Highway, which is approved to develop an industrial park/logistics/commercial retail center. With a maximum 1,550,000 square feet of building space proposed at this location, the property requires the installation and extension of a utility infrastructure prior to the start of the building construction, which includes access to a water line system; and

WHEREAS, California American Water Company provides water services to this portion of the City of Irwindale and is currently extending their water mainline through to the project site. The new line varies between 12" to 16" lines and covers approximately 2 ½ miles along Buena Vista, Avenida Barbosa, Arrow Highway, and Live Oak Avenue; and

WHEREAS, projects where construction is occurring in the public right-of-way or on city streets requires an encroachment permit and the submittal of a deposit for inspection services. A deposit in the amount of One Hundred and Seventy Thousand and 00/100 Dollars ($170,000) was required and submitted to start construction. In an effort to expedite the completion of this project, the contractor has been working day and night requiring two inspectors. As such, the deposit provided is now depleted and requires replenishment; and

WHEREAS, by this Amendment, the City and Contractor wish to amend the Agreement to add an additional $100,000 to the total maximum contract amount, from $170,000 to $270,000.

NOW, THEREFORE, the parties hereto agree as follows:

1. Section 2.1 of the Agreement entitled "Contract Sum" shall be amended in its entirety to read as follows:

"2.1 Contract Sum. "For the services rendered

pursuant to this Agreement, Contractor shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding the maximum contract amount of Two Hundred Seventy Thousand Dollars and No Cents ($270,000) ("Contract Sum")."

2. Full Force and Effect. Except as expressly modified herein all other provisions of the Agreement shall remain unmodified and in full force and effect.

3. Corporate Authority. The persons executing this Amendment on behalf of the parties hereto warrant that (I) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment on behalf of said party, (iii) by so executing this Amendment, such party is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which said party is bound.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed and entered into this Amendment as of the date first written above.

CITY :

CITY OF IRWINDALE,
a municipal corporation

_____
William K. Tam, City Manager

ATTEST:

_____
Laura M. Nieto, MMC,
Chief Deputy City Clerk

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

_____
Adrian R. Guerra
City Attorney

CONTRACTOR:

FCG Consultants, Inc., a California corporation

By:_____
Name: Maha Fakhouri
Title: President

By:_____
Name: Abdallah Fakhouri
Title: Secretary

[END OF SIGNATURES]

FIRST AMENDMENT TO
AGREEMENT FOR AS-NEEDED CONSTRUCTION INSPECTION SERVICES
FOR A WATER PIPELINE EXTENSION PROJECT

This "FIRST AMENDMENT TO AGREEMENT FOR AS-NEED CONSTRUCTION INSPECTION SERVICES FOR A WATER PIPELINE EXTENSION PROJECT" ("Amendment") is made and entered into this 23rd day of June 2021, by and between the City of Irwindale, a California municipal corporation ("City") and FCG Consultants, Inc., a California corporation ("Contractor").

RECITALS

WHEREAS, on or about December 9, 2020, the City and Contractor entered into that certain Agreement for As-needed Construction Inspection Services for a Water Pipeline Extension Project ("Agreement"), not to exceed the maximum contract amount of One Hundred and Seventy Thousand and 00/100 Dollars ($170,000.00).

WHEREAS, the Park at Live Oak Development Project is a 78.3-acre property, located at 1200, 1220, and 1270 Arrow Highway, which is approved to develop an industrial park/logistics/commercial retail center. With a maximum 1,550,000 square feet of building space proposed at this location, the property requires the installation and extension of a utility infrastructure prior to the start of the building construction, which includes access to a water line system; and

WHEREAS, California American Water Company provides water services to this portion of the City of Irwindale and is currently extending their water mainline through to the project site. The new line varies between 12" to 16" lines and covers approximately 2 ½ miles along Buena Vista, Avenida Barbosa, Arrow Highway, and Live Oak Avenue; and

WHEREAS, projects where construction is occurring in the public right-of-way or on city streets requires an encroachment permit and the submittal of a deposit for inspection services. A deposit in the amount of One Hundred and Seventy Thousand and 00/100 Dollars ($170,000) was required and submitted to start construction. In an effort to expedite the completion of this project, the contractor has been working day and night requiring two inspectors. As such, the deposit provided is now depleted and requires replenishment; and

WHEREAS, by this Amendment, the City and Contractor wish to amend the Agreement to add an additional $100,000 to the total maximum contract amount, from $170,000 to $270,000.

NOW, THEREFORE, the parties hereto agree as follows:

1. Section 2.1 of the Agreement entitled "Contract Sum" shall be amended in its entirety to read as follows:

"2.1 Contract Sum. "For the services rendered

pursuant to this Agreement, Contractor shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding the maximum contract amount of Two Hundred Seventy Thousand Dollars and No Cents ($270,000) ("Contract Sum")."

2. Full Force and Effect. Except as expressly modified herein all other provisions of the Agreement shall remain unmodified and in full force and effect.

3. Corporate Authority. The persons executing this Amendment on behalf of the parties hereto warrant that (I) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment on behalf of said party, (iii) by so executing this Amendment, such party is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which said party is bound.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed and entered into this Amendment as of the date first written above.

CITY :

CITY OF IRWINDALE,
a municipal corporation

_____
William K. Tam, City Manager

ATTEST:

_____
Laura M. Nieto, MMC,
Chief Deputy City Clerk

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

_____
Adrian R. Guerra
City Attorney

CONTRACTOR:

FCG Consultants, Inc., a California corporation

By:_____
Name: Maha Fakhouri
Title: President

By:_____
Name: Abdallah Fakhouri
Title: Secretary

[END OF SIGNATURES]

CC Item 1H

☒City Council
☐Successor Agency
☐Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Mayor and Members of the City Council

From: William K. Tam, City Manager

Issue: Resolution Approving the Donation to the Irwindale Educational Foundation

City Manager's Recommendation:

Adopt Resolution No. 2021-58-3270 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE FINDING THAT THE PUBLIC PURPOSE WOULD BE SERVED BY THE DONATION TO THE IRWINDALE EDUCATIONAL FOUNDATION OF THE USE OF A BILLBOARD DISPLAY IN THE CITY OF IRWINDALE AND APPROVING THE DONATION THERETO" reading by title only and waiving further reading thereof.

Administrative Action:

Submitted by:

William K. Tam, City Manager

Prepared by:

Laura Nieto, Chief Deputy City Clerk

Reviewed by:

Electronically Approved

Adrian R. Guerra, City Attorney

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, City Manager

Background and Analysis:

The Irwindale Educational Foundation (IEF) is hosting a second fundraiser to raise funds for educational scholarships to qualified Irwindale residents and employees and family members of businesses located within the city limits that are members of good standing of Irwindale Chamber of Commerce. On April 28, 2021 the City Council adopted Resolution No. 2021-24-3236 approving the donation of the one-time use of the billboard to the Irwindale Educational Foundation for a thirty day period. On June 17, 2021, the City received a request for the use of one of the billboard displays in the City during the 2021/2022 fiscal year.

The City in past years has been supportive of this charitable organization and, in fact, has approved the use of one of the Clear Channel Communications' billboard faces for one month (estimated value of between $6,500 to $15,000 depending on the billboard) the City receives the right to use along the 210 and 605 Freeways. The IEF uses the billboard to acknowledge sponsors of the event and to market the Foundation.

The education benefits provided by IEF serves an important public purpose insofar as it helps qualified individuals attain higher education, and thus become more informed and productive members of the community and, assisting members of the Irwindale community attain greater education levels tends to increase their earning potential, creating a likely economic benefit to Irwindale businesses, and consequently City revenues.

Fiscal Impact:

There is no loss of revenues to the City since the Agreement with Clear Channel or CBS Outdoor Inc. allows for City use of the billboard for specified periods of time

Attachment:

Request from Irwindale Educational Foundation Board
Resolution No. 2021-58-3270

IRWINDALE EDUCATIONAL FOUNDATION

A California Non-Profit Corporation
P.O. Box 2307
Irwindale, CA 91706

June 17, 2021

Board of Directors 2021

Officers

Theresa Olivares
City of Irwindale
President

George Silva
SCE Federal Credit Union
Vice President

Amanda Arellan
Irwindale Chamber of Commerce
Treasurer

Elizabeth Rodriguez
City of Irwindale
Secretary

Directors

Gary Clifford
Athens Services

Phyllis Ferguson
California Custom Fruits & Flavors

John Fraijo
City of Irwindale

Robert Puente
Vulcan Materials

Jesus Rodriguez
Decora-ative Specialties, Inc.

Mayra Serrano
City of Hope

Priscilla Zapeda
City of Irwindale

The Honorable H. Manuel Ortiz, Mayor of the City of Irwindale
The Honorable Larry Burrola, Mayor Pro Tem of the City of Irwindale
The Honorable, Albert F. Ambriz Council Member of the City of Irwindale
The Honorable, Mark Breceda Council Member of the City of Irwindale
The Honorable Manuel R. Garcia, Council Member of the City of Irwindale

Irwindale City Hall
5050 North Irwindale Avenue Irwindale,
CA 91706

Dear Mayor Ortiz and Council Members:

The Irwindale Educational Foundation ("IEF"), a 501(c)(3) non-profit organization, respectfully requests the use of a billboard for 30 days in the 2021/2022 fiscal year to support IEF fundraising efforts. We realize this is the 2nd request of this nature this year. With resources limited and us not being able to put on our annual BBQ, which raised enough for us annually to award the needed scholarships, we have decided to put on a 2nd bingo event in hopes of raising enough funds to do the same this year. The city's generous donation of a 2nd billboard would indeed help us tremendously in trying to reach that goal.

IEF provides grants to Irwindale residents, employees, and family members of Irwindale Chamber of Commerce members in good standing and located in Irwindale. IEF provides financial assistance to first time college and vocational students and to continuing students making good academic progress. Since 2002, IEF has awarded over $530,000 in scholarships to deserving students.

The IEF will host its second bingo event this year on July 27th.

Thank you in advance for your consideration.

Sincerely,

George Silva, Vice President

Cc: William Tam, City Manager, City of Irwindale

RESOLUTION NO. 2021-58-3270

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE FINDING THAT THE PUBLIC PURPOSE WOULD BE SERVED BY THE DONATION TO THE IRWINDALE EDUCATIONAL FOUNDATION OF USE OF A BILLBOARD DISPLAY IN THE CITY OF IRWINDALE AND APPROVING THE DONATION THERETO

WHEREAS, the Irwindale Educational Foundation, a 501 (c)(3) non-profit organization, ("Foundation") annually hosts an event to raise money for grant scholarships to qualified Irwindale residents to improve their opportunity for career development;

WHEREAS, the grant money raised by the Foundation provides financial assistance for first time college and vocational students and for continuing students making good academic progress;

WHEREAS, the Foundation further provides grants to employees and family members of a company that is a member in good standing with the Irwindale Chamber of Commerce and whose company is located in Irwindale;

WHEREAS, the City Council of the City of Irwindale finds that the Foundation's purpose of providing educational grants to residents and employees and family members of businesses within Irwindale serves an important public purpose insofar as it helps such individuals attain higher education, and thus become more informed and productive members of the community;

WHEREAS, the City Council finds that the aforementioned educational benefits conferred upon Irwindale residents and business community serves and additional important public purpose by assisting members of the Irwindale community attain greater education levels tends to increase their earning potential, creating a likely economic benefit to Irwindale businesses, and consequently City revenues;

WHEREAS, on April 28, 2021, the City Council adopted Resolution No. 2021-24-3246 approving the one time use of a billboard to the Irwindale Educational Foundation for a thirty day period; and

WHEREAS, on June 17, 2021, the City received a request from the Irwindale Educational Foundation for the use of a billboard

WHEREAS, annually, the City of Irwindale receives from Clear Channel Communications and CBS Outdoor Inc. the right to use two separate displays of certain billboards along the 210 and 605 Freeways for one month per year and the City Council wishes to donate the use of one display of such billboard for one month in the 2021 -2022

fiscal year to the Foundation for fundraising efforts to provide the aforementioned educational grants;

NOW, THEREFORE, the City Council of the City of Irwindale, California, resolves, determines and orders as follows:

1. That the City Council finds the above recitals true and correct.
2. That the City Council hereby finds that the donation to the Foundation of the use of one billboard face display provided by Clear Channel along the 210 and 605 Freeways or CBS Outdoor Inc. along the 605 Freeway for one month in the 2021-2022 fiscal year and at a time approved by Clear Channel or CBS Outdoor Inc. and the City serves the public purpose identified in the above recitals.
3. That the City Council hereby approves the aforementioned donation to the Foundation.
4. That the Chief Deputy City Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 23rd day of June, 2021.

_____
H. Manuel Ortiz, Mayor

ATTEST

_____
Laura M. Nieto, MMC
Chief Deputy City Clerk

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.
CITY OF IRWINDALE }

I, Laura M. Nieto, Chief Deputy City Clerk of the City of Irwindale, do hereby certify that the foregoing Resolution No. 2021-58-3270 duly adopted by the City Council of the City of the City of Irwindale, at a regular meeting held on the 23rd day of June 2021 by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

ABSTAIN: Councilmembers

Laura M. Nieto, MMC
Chief Deputy City Clerk

CC Item 2A

☒City Council
☐Successor Agency
☐Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Mayor and Members of the City Council

From: William K. Tam, City Manager/Executive Director

Issue: Update on the Current ICF Funding Expenditures for FY 2020-2021

City Manager's Recommendation:

It is recommended that the City Council receive and file this report updating the City Council on the current ICF funding expenditures for FY 2020-21.

Administrative Action:

Submitted by:
Eva Carreon, Finance Director/City Treasurer
626) 430-2221

Reviewed by:
Adrian R. Guerra, City Attorney

Electronically Approved

Eva Carreon, Finance Director/City Treasurer

Approved by:

William K. Tam, City Manager

Background and Analysis

On October 12, 2020, the Irwindale Community Foundation (ICF) approved their FY 2020-2021 Budget, which included a contribution of funds totaling $243,000 to the City's Recreation, Senior Center, Library and Administrative Services departments.

On October 14, 2020, the City Council approved Resolution No. 2020-72-3232 accepting the contribution of $243,000 from the ICF. The donated funding is intended to supplement operating budgets only, and do not include funding for personnel budgets.

On October 14, 2020, the City Council also approved Resolution No. 2020-80-3240 approving the appropriation of the donated ICF funds toward operating budgets of the following departments:

ICF Funding Allocations:		
Recreation	$	144,500
Senior Center	$	59,000
Library	$	28,500
Admin Services	$	11,000
Total:	$	243,000

ICF Unspent Funding Re-Allocation

The ICF Funding was allocated primarily for community programs, events and activities that substantially require large gatherings. Due to the COVID-19 Pandemic and the Los Angeles County Public Health Order prohibiting gatherings, the City cancelled all in-person events and programs. City Staff conducted an analysis of the ICF Funding that is not anticipated to be spent by the end of the fiscal year due to the cancelled programs and events. After accounting for expenditures still planned through the end of the fiscal year, this analysis resulted in City Staff verifying a significant amount of ICF funding that will remain unspent by the end of the fiscal year.

City Staff identified potential alternate uses for this funding for items that are deemed essential to continue providing quality and innovative programs and events to benefit the Irwindale community.

The recommended alternate uses for this funding have been reviewed and approved by the Parks and Recreation Commission on May 5, 2021, as well as the ICF Board on May 18, 2021. Additionally, the ICF Board requested that some of the unspent funding to be allocated toward sponsoring free or reduced fees for programs and events at the Recreation Department totaling $13,720 and the Senior Center totaling $4,600. On May 26, 2021 the City Council was provided with a report updating them of the ICF's approval for reallocation of the unspent funding.

The unspent ICF funding approved for re-allocation totaled $95,255. As a note, this does not include funds projected to be spent for the remaining portion of this fiscal year. As requested by the City Council and ICF Board, any unspent funding will be transferred back to the ICF at the end of the fiscal year for re-allocation. The table below lists the approved re-allocation amount per department:

ICF Unspent Funding Re-Allocated Budgets:					Total per Dept
Recreation	$ 36,435	Plus: Fee Sponsorships	$ 13,720	$	50,155
Senior Center	$ 27,800	Plus: Fee Sponsorships	$ 4,600	$	32,400
Library	$ 12,700		$ -	$	12,700
Admin Services	$ -		$ -	$	-
Totals:	$ 76,935		$ 18,320	$	95,255

ICF Funding and Expenditures Summary

City Staff conducted an analysis of all expenditures of the ICF Funding through the end of May 2021. The tables below detail how the ICF funding has been spent per department, detailed by programmatic account. The tables also show how the ICF Funding was re-allocated per department, which staff intends to utilize as directed by the end of the fiscal year.

RECREATION						
	Original ICF Funding Budget	Expenditures through 5/31/2021	Unspent ICF Funding As of 5/31/2021	Approved ICF Reallocation		Remaining ICF Funding Budget
				ICF Budgets Transferred From	ICF Budgets Transferred To	
Recreation Special Events						
Operating Supplies	20,250	6,941	13,309	(7,747)	-	5,562
Special Events	17,700	350	17,350	(8,000)	-	9,350
Special Events-September Fiesta	2,300	-	2,300	(2,300)	-	-
Special Events-Halloween	2,100	168	1,932	(1,932)	-	-
Special Events-Christmas	2,700	669	2,031	(2,031)	-	-
Special Events-Easter	1,800	2,207	-	-	-	-
Certificate of Insurance-Special Events	8,000	1,994	6,006	(5,500)	-	506
Radios; Handwash/Charging Stations	-	-	-	-	5,543	5,543
Computers & Accessories	-	-	-	-	12,467	12,467
Outdoor Movie Screen/Speakers	-	-	-	-	9,500	9,500
Special Events Operating Budget:	**54,850**	**12,328**	42,929	(27,510)	27,510	42,929
Aquatics						
Operating Supplies	5,000	15,081	-	-	-	-
Uniforms Expense & Safety Equipment	3,840	5,317	-	-	-	-
Contractual Services	1,800	-	1,800	(1,800)	-	-
Contracted Instructors & Officials	11,100	-	11,100	(1,975)	-	9,125
Aquatics Training Equipment	-	-	-	-	3,175	3,175
Flag Poles for Air Quality	-	-	-	-	600	600
Aquatics Operating Budget:	**21,740**	**20,398**	12,900	(3,775)	3,775	12,900
Recreation Programs & Activities						
Operating Supplies	11,150	1,395	9,755	-	-	9,755
Uniforms Expense & Safety Equipment	2,700	-	2,700	(2,700)	-	-
Program Supplies	3,160	759	2,401		-	2,401
Program Supplies-Awards	2,500	-	2,500	(2,500)	-	-
Program Supplies-Sports Equipment	8,100	-	8,100	(8,100)	-	-
Field Trips-Tiny Tots	1,600	-	1,600	-	-	1,600
Field Trips-Teens	5,000	-	5,000	-	-	5,000
Field Trips-Day Camps	14,300	2,640	11,660	-	-	11,660
Field Trips-Adult/Family Trips	8,000	1,100	6,900	-	-	6,900
Contracted Instructors & Officials	11,400	-	11,400	(5,570)	-	5,830
Video & Arcade Game Systems	-	-	-	-	5,150	5,150
Recreation Fee Sponsorships	-	-	-	-	13,720	13,720
Program & Activities Operating Budget:	**67,910**	**5,893**	62,017	(18,870)	18,870	62,017
TOTAL RECREATION DEPT:	**144,500**	**38,619**	**117,846**	**(50,155)**	**50,155**	**117,845**

SENIOR CENTER - PROGRAMS & ACTIVITIES						
	Original ICF Funding Budget	Expenditures through 5/31/2021	Unspent ICF Funding As of 5/31/2021	Approved ICF Reallocation		Remaining ICF Funding Budget
				ICF Budgets Transferred From	ICF Budgets Transferred To	
Operating Supplies	10,580	4,565	6,015	(5,000)	-	1,015
Special Events-Other	3,870	2,070	1,800	(1,800)	-	-
Special Events-Dances	900	1,389	-	-	-	-
Special Events-Prom	4,000	-	4,000	-	-	4,000
Special Events-Thanksgiving	4,000	4,002	-	-	-	-
Special Events-Christmas Party	5,700	5,550	150	(150)	-	-
Field Trips	8,350	-	8,350	(8,350)	-	-
Certificate of Insurance-Special Events	1,600	-	1,600	(1,600)	-	-
Contracted Instructors & Officials	18,675	1,427	17,248	(15,500)	-	1,748
Office Equipment, Furniture & Fixtures	1,325	1,371	-	-	-	-
Special Events-Sr Center Grand Opening	-	-	-	-	4,000	4,000
Senior Center Furnishing & Equipment	-	-	-	-	20,200	20,200
Computers & Accessories - Laptops	-	-	-	-	3,600	3,600
Senior Center Fee Sponsorships	-	-	-	-	4,600	4,600
TOTAL SENIOR CENTER:	**59,000**	**20,374**	**39,163**	**(32,400)**	**32,400**	**39,163**

LIBRARY & ADMINISTRATIVE SERVICES						
	Original ICF Funding Budget	Expenditures through 5/31/2021	Unspent ICF Funding As of 5/31/2021	Approved ICF Reallocation		Remaining ICF Funding Budget
				ICF Budgets Transferred From	ICF Budgets Transferred To	
Admin Services - Special Events	11,000	2,761	8,239	-	-	8,239
Library - Program-Summer Reading	4,500	-	4,500	-	-	4,500
Library - Program-Evening Program	2,200	985	1,215	(500)	-	715
Library - Program-Computer Software Supp	600	4,288	-	-	-	-
Library - Books & Reference - Books	6,100	8,454	-	-	-	-
Library - Books & Reference - Media	2,200	883	1,317	(1,300)	-	17
Library - Contractual Services	1,900	-	1,900	(1,900)	-	-
Library - Tutoring-Contractual Services	1,500	-	1,500	(1,500)	-	-
Library - Tutoring-Contracted Instructors	9,500	2,000	7,500	(7,500)	-	-
Library - Computers & Accessories	-	-	-	-	12,700	12,700
TOTAL LIBRARY & ADMIN SERVICES	**39,500**	**19,371**	**26,172**	**(12,700)**	**12,700**	**26,172**

Fiscal Impact:

There is no fiscal impact to receive and file this report. This report provides a status of the ICF Funding and its expenditures as of May 31, 2021. Actual expenditures will not be finalized until after June 30, 2021, and all year-end accounting has been completed. Any ICF Funding unspent or unencumbered by year-end will be returned to the ICF.

CC Item 2B

☒City Council
☐Successor Agency
☐Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Mayor and Members of the City Council

From: William K. Tam, City Manager

Issue: Irwindale Recreation Department

City Manager's Recommendation:

That the City Council of the City of Irwindale (1) receive and file the information provided for an evaluation of the Recreation Department, including staffing, job responsibilities, and expenditures within the Recreation, and the Aquatics division, including pool maintenance, operations and safety protocols; (2) adopt Resolution No. 2021-56-3268, entitled, "A Resolution of the City Council of the City of Irwindale Approving the Reorganization of the Recreation Department, Additional Positions, and Approving the Appropriation of Funding for these New Positions."

Administrative Action:

Prepared by:

Priscilla Zepeda, Recreation Manager
(626) 430-2226

Prepared/Submitted by:

Elizabeth Rodriguez, Public Services Director
(626) 430-2211

Reviewed by:

Adrian R. Guerra, City Attorney — Electronically approved

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, City Manager

Background:
Per the direction of City Council at the regular scheduled meeting of January 27, 2021, staff was directed to provide an evaluation of the Recreation Department including the Aquatics division. Specifically:

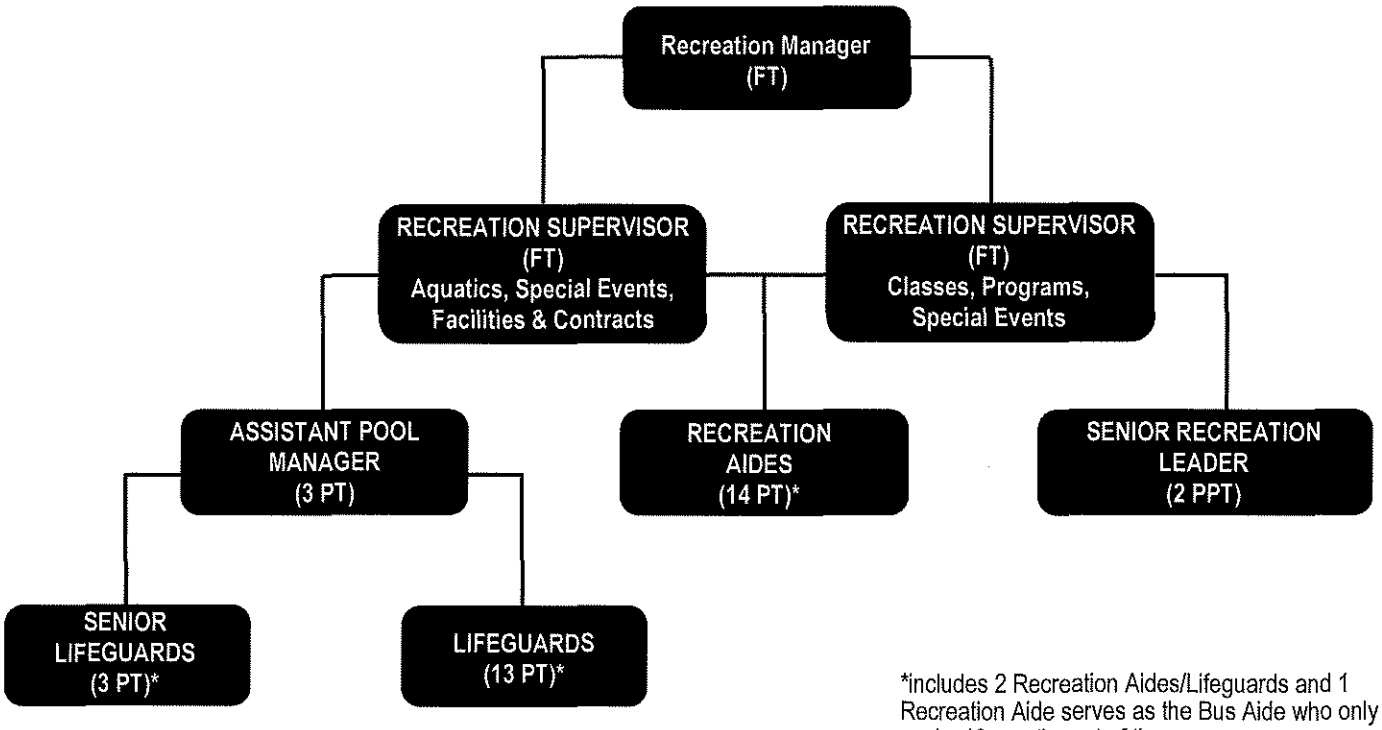
Recreation: Total number of current part-time employees, number of hours and job responsibilities and total expenditures for Fiscal Year 2020/2021

Aquatics: Pool maintenance and operations, day-to-day staffing, safety protocols and an updated quote from the City's contractor, Lawrence E Marino dba Caliber Commercial Pool Service

STAFFING

The Irwindale Recreation Department (IRD), led by the Recreation Manager, oversees Recreation and Aquatics. The team is currently made up of 3 full-time employees, 2 permanent part-time employees, 3 Assistant Pool Managers, 4 Senior Lifeguards, and 12 Lifeguards. The number of part-time Recreation Aides varies throughout the fiscal year, and these positions are budgeted based on the total part-time hours needed for the year. Tthe FY 2020-2021 Budget includes 16,080 hours budgeted for part-time Recreation Aides. It should be noted that two (2) of the Recreation Aides also work as Lifeguards during the summer and one (1) is the former Crossing Guard who now serves as the Bus Aide. Thirty-nine of these positions are part-time. This means that 93% of the programs, classes, and special events rely on the consistency and availability of the part-time employees.

Below is the Recreation Department Organizational Chart outlining current staffing levels:



*includes 2 Recreation Aides/Lifeguards and 1 Recreation Aide serves as the Bus Aide who only works 10 months out of the year.

Currently, there are 6 vacant budgeted positions in the Recreation Department waiting to be filled. These include 2 vacant part-time positions in the Aquatics division and 4 part-time Recreation Aide positions.

As the recommendations and requests from the Parks and Recreation Commission and the community for more programs, classes, and activities are considered and/or implemented, the need for additional staff is necessary to ensure that we are able to continue to provide quality programs and services to the community during all hours of operation and to meet the level of expectation from both the City Council and Parks & Recreation Commission.

OPERATIONS

The IRD has grown significantly over its history and now includes eleven rental spaces, an indoor Fitness Center, a full indoor Basketball Court, an Olympic sized Swimming Pool, and wading pool.

IRD is open six days a week throughout the calendar year and provides over 2,500 hours of access to the Dan Diaz Recreation Center per year, which includes a full indoor Basketball court, game room, and fitness center. IRD is responsible for providing classes, programs and activities for patrons of all ages. The department offers community wide special events, trips, specialty classes and programs like Kidzone, Tiny Tots and Teen Club. The IRD also proudly facilitates The C.O.I.N (City of Irwindale News). The Aquatics division provides over 700 hours of recreational swim, classes, programs and events per year. This division also continues to grow.

When the pandemic hit in March of 2020, the IRD team was able to redirect their efforts from bringing the community to City facilities to engaging the community in their homes. IRD offered special events, at home contests, take home kits and Kidzone. ROCKing Rec @ Home was launched requiring staff to research websites and tools that our community could use while being Safer At Home. As the county moves thru the COVID Tiers, the IRD began opening up in person programs and services while still offering virtual programming.

DUTIES & DAY TO DAY STAFFING

IRD staff provides services throughout the year for a variety of classes, programs, events, trips and more. A brief example of staffing needs for one day is provided below:

	Recreation Supervisor	Senior Recreation Leader	Recreation Aide	Total Staff Needed
Lobby / Weight Room	1	1	4	6
Kidzone	1	1	5	7
Tiny Tots	1	0	3	4
Special Event		100% staffed		
Aquatics Front End	0	0	2	2
Classes	1	0	2	3
			TOTAL	18*

**This table does not include Recreation Supervisors or programs that occur one day a week such as Day Camp, which would change the daily staffing total to 21.*

Based on the examples provided above, minus special events, trips, class prep time, or the COIN, the number of IRD part-time staff needed daily is:

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Lobby / Weight	5	5	5	5	5	4
Kidzone	6	6	6	6	6	
Tiny Tots			3			
Aquatics	2	2	2	2	2	2
Classes	2	2	2	2	2	
Bus Aide*	1	1		1	1	
Total	**16**	**16**	**18**	**17**	**16**	**6**

**Bus Aide is only for the school year.*

AQUATICS

The Aquatics team is responsible for providing supervision, lessons, training and daily facility maintenance during the swim season (May – September) and four days a week during the offseason. A brief example of staffing needs for one day and one shift is provided below:

	Assistant Pool Manager	Senior Lifeguard	Lifeguard	Total Staff Needed
Recreation Swim	1	2	4	7*
Swim Lessons	1	2	10	13
Aquafitness / Lap Swim & Walk	1	1	2	4
Parent & Me	1	1	2	4

**Night swim staffing is not included in this total.*

The Assistant Pool Managers supervise staff and coordinate the services of an aquatics facility, ensure the overall safety of pool patrons, maintain water chemical levels, provide daily records and may provide lifeguard duties if there is a shortage in staff. This often includes providing instruction for swim lessons. The lifeguard staff provides instructions for swimming lessons, pool supervision of patrons, enforces applicable pool rules/regulations, and perform daily maintenance.

The Recreation Department has actively pursued training opportunities for staff at all levels of Aquatics to stay up-to-date with the current safety measures, laws, trends and updates for Aquatics management. Additionally, the Emergency Action Plan has been updated and monthly safety scenario trainings have been implemented to keep the Aquatics team prepared for all types of emergencies; drowning, medical, chemical leaks, active shooter, etc. APM's, Senior Lifeguards, and Lifeguards must maintain their Lifeguard certifications as a condition of employment. Our current Aquatics team completed their Lifeguard Renewal Certification on May 15, 2021, which certifies them until May of 2023.

Maintenance of the Irwindale swimming pool occurs year round in order to maintain chemically balanced pool water, prevent debris build up, catch and prevent mechanical failures, protect against leaks, and extend the life of the pool, which is currently 35 years old. Maintenance is provided daily among the Aquatics team, Public Services Maintenance staff, and Caliber Commercial Pool Service (Caliber).

Caliber has functioned as the City's Certified Pool Operator (CPO) since 2014 with expertise in water chemistry, water testing techniques, general pool maintenance and equipment knowledge. They currently provide year round service to the City 3-days a week, adhering to best practices.

As requested by Council, staff explored the optional levels of services to be provided by Caliber as shown below:

	Frequency	Monthly Cost	Annual Cost
Option 1 (current contract)	3 days a week	$1,425	$17,100
Option 2	4 days a week	$2,150	$25,800
Option 3	7 days a week	$4,568	$54,816

The Aquatics team and Public Services Maintenance staff assist with daily maintenance of the swimming pools, chemical room, pump room, swimming deck and bleacher area, and the pool's autofill system throughout the year. The Aquatics team provides daily maintenance of the swimming pool during the Aquatics season (May – September). See Attachment A for more information.

CONCLUSION

Staff continually looks for opportunities to improve safety, operations, maintenance, and adequate staffing levels, including:

- the safety of the facility and its patrons;
- the knowledge of the Recreation and Aquatics team;
- the classes, events and services we provide; and
- access for all groups (adding RockAbilities, Senior Swim and Aquabilities)

Following the City Council meeting of January 27, 2021, an update regarding Council's direction to staff was provided to the Parks and Recreation Commission. The Commission requested staff inform the Council of the Commission's recommendation for Swimming Pool Operations to remain a part of the Recreation Department. With the City Council approval of the department consolidation on April 18, 2021, the City's Recreation, Public Works Services, and Senior Center Departments were consolidated into one department, the Public Services Department. The goal was to combine the services departments under one umbrella in order to provide a more cost effective, uniform, and essential Public Services Department with increased customer service.

With the completion of the reorganization and a thorough review of the program expenditures with the current level of service being requested to be provided at the Aquatics Center, Staff is reviewing the overall staffing needs. In the past, the City had a variety of full-time positions that included year round pool maintenance in the job description Based on the research and staffing needs, combining the planning, programing, operation, and maintenance of the pool, it is necessary to create an Aquatics Supervisor position that will allow for a centralized and dedicated employee to supervise and coordinate the services of the Aquatics Center and the Irwindale Swimming Pool. This position will allow for the consolidation of the operations and maintenance of the Aquatics Center to provide more efficient administration, scheduling, program/class implementation, training, assessment of new programs to support the needs of the community, and perform all types of pool maintenance. Additionally, the position will allow for more inspections and monitoring of the pool's equipment given the age of the pool and oversee the contract agreements necessary to keep the pool functioning. For this this to work, Staff is requesting the hiring of four (4) dedicated part-time Aquatic Aide/Pool Cashier positions to greet customers and answer phone calls; collect money, run reports, assist with creating program flyers, maintain program supplies/pool equipment, and perform other miscellaneous clerical work.

As explained above, Staff recommends that the Aquatics Division report directly to the Public Services Director to provide for more direct communication and efficiency. The maintenance and support services at the Aquatic Division will be augmented by the Bus Drivers on an as-needed basis.

As stated above, the implementation of the majority of the programs and activities at the Recreation Department is based on 93% part-time employees. This model is very inefficient, unreliable, and has a high turnover rate, which results in delays and cancellation of programs and classes. It is Staff's recommendation to hire a full-time Senior Recreation Leader and reclassify the current two permanent part-time Senior Recreation Leaders to full-time positions. This model will ensure cost effectiveness, efficiency, consistent programming and continuation of classes to be offered, and plan for new, future programs and activities to support the community's needs.

This report will be supplemented by a PowerPoint presentation.

FISCAL IMPACT:

The cost to hire a full-time Aquatics Supervisor is $67,830 for salary and wages and $40,730 for fringe benefits, for a total annual cost of $108,560. An additional $19,700 would be required to hire four (4) seasonal/part-time Aquatic Aide/Pool Cashiers. The hourly rate for an Aquatics Aide/Pool Cashier is $14 per hour; however, effective January 1, 2022, the California minimum wage will increase to $15 per hour.

The cost to hire a full-time Senior Recreation Leader is $70,630 and to reclassify the existing two permanent part-time Senior Recreation Leaders to full-time is $4,560.

In total, the additional cost to separate the Aquatics Division from the Recreation Department with the staffing changes recommended is $203,450, and would require the approval of the attached Resolution to formally approve the positions and add the necessary budget to fund the positions to the FY 2021-2022 Budget. As a note, these positions would be funded entirely by the General Fund.

The following table provides a breakdown of the Irwindale Recreation Department's current FY 2020-2021 Budget and Expenditures, including the Irwindale Community Foundation's donation to the Recreation Department:

Irwindale Recreation Department
FY 2020-2021 Budget & Expenditures through May 31, 2021

Administration Division	City Budget	ICF Donation	Total Budget	Expenditures Thru 5/31/2021
Total Salaries & Benefits:	**682,050**	-	**682,050**	**535,758**
Training	4,000	*No ICF Donation for this Division*	4,000	751
Memberships & Subscriptions	3,180		3,180	2,438
Operating Supplies	4,700		4,700	1,521
Office Equipment Maint & Supplies	13,930		13,930	5,180
Fuel	900		900	577
Vehicle Maintenance & Repairs	4,200		4,200	278
Uniforms Expense & Safety Eqmt	1,500		1,500	-
Building Repairs & Maintenance	62,550		62,550	-
Total Operating Budget:	**94,960**	-	**94,960**	**10,745**
Total Administration Division:	**777,010**	-	**777,010**	**546,503**

Special Events	City Budget	ICF Donation	Total Budget	Expenditures Thru 5/31/2021
Total Salaries & Benefits:	-	-	-	-
Memberships & Subscriptions	700	-	700	364
Operating Supplies	250	20,250	20,500	6,941
Special Events	300	17,700	18,000	350
Special Events-4th of July	-	-	-	-
Special Events-Sept Fiesta	-	2,300	2,300	-
Special Events-Halloween	-	2,100	2,100	168
Special Events-Christmas	-	2,700	2,700	669
Special Events-Easter	-	1,800	1,800	2,207
Certificate of Insurance-SpEvt	-	8,000	8,000	1,994
Total Operating Budget:	**1,250**	**54,850**	**56,100**	**12,692**
Total Special Events Division:	**1,250**	**54,850**	**56,100**	**12,692**

Aquatics	City Budget	ICF Donation	Total Budget	Expenditures Thru 5/31/2021
Total Salaries & Benefits:	**81,570**	-	**81,570**	**50,185**
Memberships & Subscriptions	540	-	540	503
Operating Supplies	7,250	5,000	12,250	15,081
Uniforms Expense & Safety Equipmer	-	3,840	3,840	5,317
Building Repairs & Maintenance	17,630	-	17,630	18,595
Contractual Services	-	1,800	1,800	-
Contracted Instructors & Officials	-	11,100	11,100	-
Total Operating Budget:	**25,420**	**21,740**	**47,160**	**39,496**
Total Aquatics Division:	**106,990**	**21,740**	**128,730**	**89,681**

Programs & Activities	City Budget	ICF Donation	Total Budget	Expenditures Thru 5/31/2021
Total Salaries & Benefits:	-	-	-	-
Operating Supplies	2,100	11,150	13,250	1,325
Uniforms Expense & Safety Eqmt	-	2,700	2,700	-
Program Supplies	2,680	3,160	5,840	759
Program Supplies-Awards	-	2,500	2,500	-
Program Supplies-Sports Eqmt	600	8,100	8,700	69
Field Trips-Tiny Tots	-	1,600	1,600	-
Field Trips-Teens	-	5,000	5,000	-
Field Trips-Day Camps	-	14,300	14,300	2,640
Field Trips-Adult/Family Trips	-	8,000	8,000	1,100
Contracted Instructors & Officials	-	11,400	11,400	-
Total Operating Budget:	**5,380**	**67,910**	**73,290**	**5,893**
Total Programs & Activities Division:	**5,380**	**67,910**	**73,290**	**5,893**

TOTAL RECREATION DEPARTMENT:	**890,630**	**144,500**	**1,035,130**	**654,769**

ATTACHMENTS: 1. Attachment "A" – Irwindale Swimming Pool Maintenance Schedule
2. Attachment "B" – Irwindale Recreation Staffing Requirements
3. Attachment "C" - Public Services Department Organizational Chart
4. Resolution No. 2021-56-3268

ATTACHMENT "A"

IRWINDALE SWIMMING POOL
MAINTENANCE SCHEDULE

Caliber – Monday, Wednesday, Friday

Maintain water chemistry, perform manual chlorine and alkaline tests, test cyanuric acids, monitor calcium hardness levels, monitor and control total dissolved solids levels, evaluate the chemical controller for performance, monitor and adjust set points of automation systems, calibrate controllers in relation to manual test readings, verify feed time limits for all chemical pumps, inspect chemical probes, inspect bypass lines and safety flow switches, monitor and adjust chemical feed pump settings, inspect chemical pump head tubes, inspect tubing from pump discharge to injection points for proper flow and mineral build – up, monitor chlorine and muriatic acid tank levels and schedule chemical deliveries, monitor pool water temperatures, manually test and check auto fill, inspect surge pit fill lines and modulation float valves, check float controls, monitor filter influent and effluent pressure gauges, backwash two high rate sand filters, perform filter pressure check and air releases, monitor pool equipment for potential problems, service backwash valves, manually test Sump pumps, minor repairs of equipment not involving replacement parts, inspect pool and deck areas for health and safety concerns, check pool lights for proper operation, monitor Los Angeles County Health code to avoid violations, check lifesaving equipment is in good condition, maintain log books and reports for work completed each visit, be available for telephone consultations

ISP – Sunday, Tuesday, Thursday, Saturday

Remove vacuum from pool, wire brush pool walls, net out debris, clean grates, check chemicals, add chemicals as needed, blow down deck, sweep deck and bleachers, check pump baskets,

PSM – Monday – Friday

Place vacuum in pool, wire brush pool walls, net out debris, clean grates, blow down deck, test chemicals, add chemicals as needed, sweep deck and bleachers, wash bleachers/deck (once a week), check pump basket, check autofill, removes and covers pool at beginning and end, respectively, of the pool season, cleans storage area, ensures chemicals are delivered, and coordinates/oversees the Caliber Commercial Pool Services Contract.

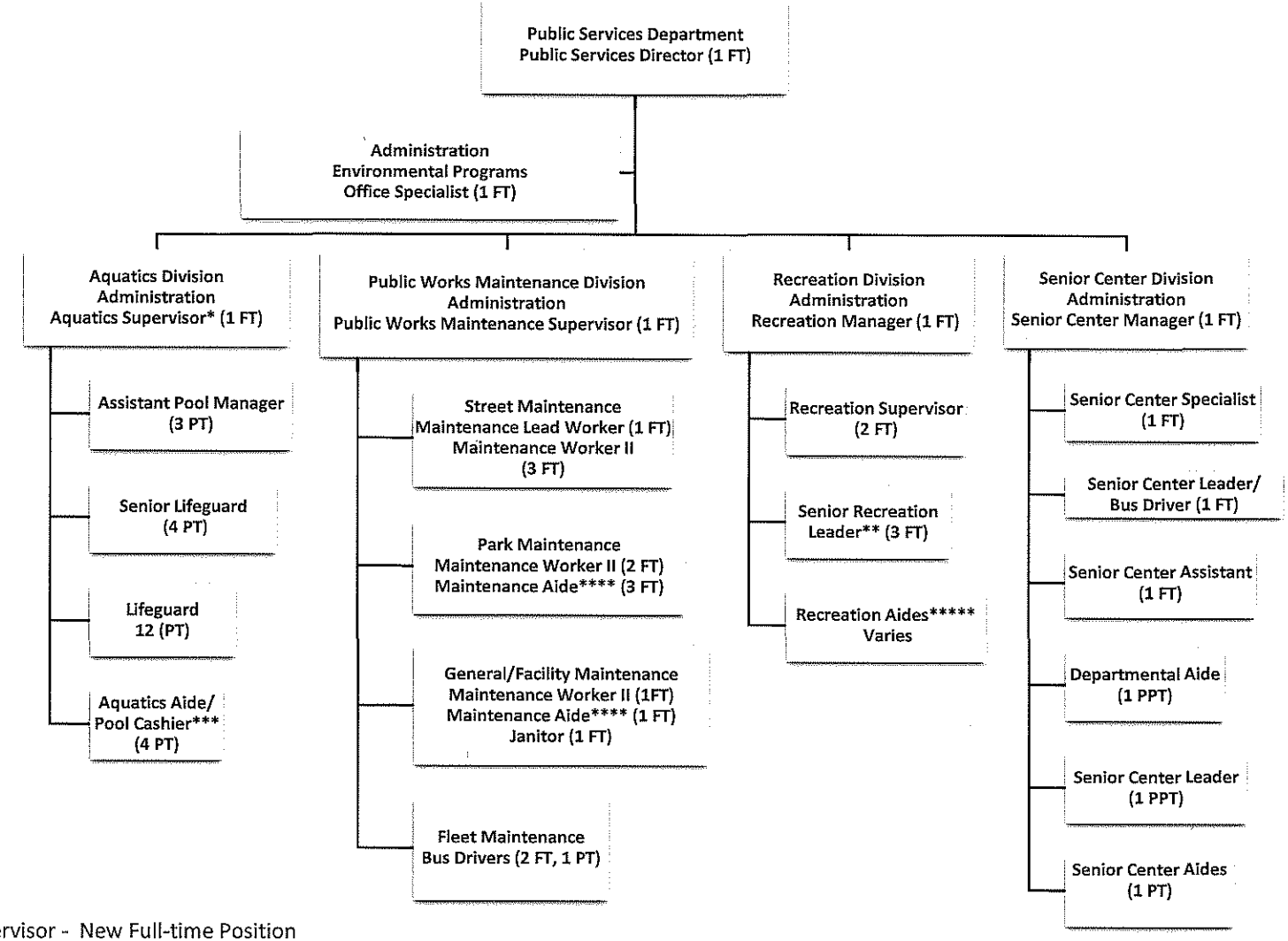
ATTACHMENT "B"

IRWINDALE RECREATION DEPARTMENT
STAFFING REQUIREMENTS

Programs/Services/Activities	Dates	Times	Hours	Class Size/Limit (COVID Restrictions)	Class Size/Limit (Non-COVID)	Senior Rec Leaders (PPT)	Rec Aides (PT)	Contract Instructors
Lobby	Monday - Thursday	11am to 8pm	9	N/A	N/A	1	1 to 2	
Lobby	Friday	11 am to 7pm	8	N/A	N/A	1	1	
Lobby	Saturday	10am to 4pm	6	N/A	N/A	0	2	
Weight Room	Monday - Thursday	11am to 8pm	9	10	19	0	3	
Weight Room	Friday	11am to 7pm	8	10	19	0	3	
Weight Room	Saturday	10am to 4pm	6	10	19	0	2	
YOUTH PROGRAMS/CLASSES								
Teeny Tots School Session	Tuesday/Thursday	12:30pm to 3:30pm	3	N/A	10	0	3	
Tiny Tots School Session	Tuesday/Thursday	9am to 12pm	3	N/A	13	0	3	
Teeny Tots Summer	Tuesdays	11:30am to 2:30pm	3	11	20	0	3	
Summer Tiny Tots	Thursdays	11:30am to 2:30pm	3	11	20	0	3	
KidZone School Session	Monday - Friday	1pm to 6pm	5	10	30*	1	0	
KidZone School Session	Monday - Friday	12pm to 6pm	4	10	30*	0	5	
Summer KidZone	Monday - Friday	8am to 4pm	8.5	14	30*	1	0	
Summer KidZone	Monday - Friday	8am to 6pm	5	14	30*	0	7	
Summer Day Camp	Tuesdays	Varies	5-9	40	40	1	4	
Parent and Me iSign	Mondays/Wednesdays	3pm to 3:30pm	30 minutes	20	20+	0	1	
Summer Cheer Clinic - Hybrid	Mondays/Wednesdays	5pm to 6:30pm	1.5	13/22	20+	1	1	
Summer Volleyball Clinic	Mondays/Wednesdays	4pm to 5pm	1	13	20	0	2	
Wiffle Ball	Mondays/Wednesdays	9am to 10am	1	13	20+	0	2	
T-ball	Mondays/Wednesdays	10am to 10:30 am	30 minutes	13	20+	0	2	
Virtual iSign	Mondays/Wednesdays	3pm to 3:45pm	45 minutes	20	20+	0	1	
Fall Day Camp	Mondays/Wednesdays	Varies	5-9	bus capacity limit	40	1	4	
Summer Tots	Thursdays	12pm to 2pm	2	13	20	0	3	
Spring/Winter Day Camp	Tuesdays/Thursdays	Varies	5-9	bus capacity limit	40	1	4	
Summer Munchkin Cheer - Hybrid	Tuesdays/Thursdays	5pm to 6pm	1	13/15	20	0	2	
Fun, Fit Fridays	Fridays	1pm to 2pm	1	20	20+	0	2	
Spring Virtual Cooking Adventures	Fridays	3pm to 3:45pm	45 minutes	20	20	0	1	
Virtual Silly Science	Fridays	3pm to 3:45pm	45 minutes	20	20	0	1	
Summer Virtual Silly Science	Fridays	3pm to 3:45pm	45 minutes	20	20	0	1	
Virtual Canvas Kids	Varies	Varies	1.5	20	Hybrid? 24/24	1	0	
Virtual Pint Sized Picasso's	Varies	Varies	1.5	20	Hybrid? 24/24	0	1	
Virtual Yoga for Kids	Varies	Varies	1.5	20	Hybrid? 24/12	0	1	
Baby Ballet	Varies	Varies		N/A	12			1
Ballet	Varies	Varies		N/A	12			1
Virtual Cake Cuties	Varies	Varies		20	15	0	2	
Cupcake Cuties	Varies	Varies		N/A	12	0	2	
Go Go Gamers	Varies	Varies		N/A	20 (10 per session)	0	2	
Healthy Irwindale	Varies	Varies		N/A	20+	1	1	
Kindness Krew	Varies	Varies		N/A	20+	1	1	
Virtual iSign	Varies	Varies		20	20	0	1	
Karate	Varies	Varies		N/A	15			1
Turbo Kick	Varies	Varies		N/A	25			1
Bunco Bash	Varies	Varies		N/A	20+	1	0	
Nifty Knitters	Varies	Varies		N/A	12	1	0	
Pickleball	Varies	Varies		N/A	16			1
Lil Ninjas	Varies	Varies		N/A	15			1
Pickleball for Kids	Varies	Varies		N/A	16			1
ADULT PROGRAMS/CLASSES								
Stepping Stones	Mondays	5pm to 5:30pm	30 minutes	14	20+	0	1	
The Painters Club	Wednesdays	5:30pm to 7:30 pm	2	20	Hybrid? 24/24	1	0	
Yoga at Noon	Tuesdays/Thursdays	12noon to 1pm	1	14	12			1
Zumba	Tuesdays/Thursdays/Fridays	6pm to 7pm	1	14	20+			1
Playbillers	Varies	Varies	Varies	N/A	11	1	0	0
AQUATIC PROGRAMS								
Swimming Lessons	Monday-Friday	9am-11:30am	2.5	N/A	120	0	1	0
Recreational night swimming	Monday-Friday	5:45pm-9:15pm	3.5	N/A	124	0	1	0
Aqua Fitness	Monday-Thursday	4:30pm-5:30pm	1	14	14			1
Lap Swimming/Walk	Monday-Thursday	4:30pm-5:30pm	1	6	6	0	1	0
Senior Splash	Tuesdays/Thursdays	12:30pm-3:00pm	2	21 (shallow)	124	0	1	0
Aquabilities	Tuesdays/Thursdays	12:00pm-1:00pm	1	21 (shallow)	124	0	1	0
Water Polo Clinic	Fridays	4:30pm-5:30pm	1	14	20	0	1	0
Recreational day swimming	Sun/Mon/Wed/Fri/Sat	11:30am-4:30pm	4	N/A	124	0	1	0
Parent and Me	Saturdays/Sundays	10am-11:30am	1.5	7 (x2 to include parent)	21	0	1	0
Mermaid Class	Tuesdays/Thursdays	3pm - 4:15pm	1.25	N/A	12	0	1	1
Swim Team	Monday - Friday	3:30p - 6:15pm	2.75	N/A	24	0	1	0

Attachment "C"

PUBLIC SERVICES DEPARTMENT ORGANIZATIONAL CHART



* Aquatics Supervisor - New Full-time Position

**Senior Recreation Leader – One (1) New Full-time Position and Two (2) Reclassification to Full-time Positions

***Aquatics Aide/Pool Cashier – Four (4) New Part-time Positions

****Maintenance Aide – Four (4) Reclassifications to Full-time Positions per the approval of the second reading and adoption of the FY 2021/2022 Budget

*****Recreation Aides – The budget for the Recreation Aide positions is based on total hours needed for the fiscal year. The number of Recreation Aides on staff varies, as this is dependent on their availability.

6/23/2021

RESOLUTION NO. 2021-56-3268

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPROVING THE REORGANIZATION OF THE RECREATION DEPARTMENT, ADDITIONAL POSITIONS, AND APPROVING THE APPROPRIATION OF FUNDING FOR THE THESE NEW POSITIONS

WHEREAS, on January 27, 2021, the City Council requested Staff provide an evaluation of the Recreation Department, including the Aquatics division; and

WHEREAS, on June 23, 2021, Staff provided an overview of recreation day-to-day operations, staffing responsibilities, staffing requirements, and the expenditures for FY2020/2021; and

WHEREAS, Thirty-nine positions or 93% of Recreation staff are part-time who are responsible for implementing and teaching the majority of Recreation classes, programs, and activities. This model is very inefficient, unreliable and has a high turnover rate, which results in delays and cancellation of programs and classes; and

WHEREAS, operations of the Aquatics under the Recreation Department and the maintenance of the Aquatics is under Public Works Maintenance; however, some maintenance responsibilities are handled by both the Aquatics team and the Public Works Maintenance staff; and

WHEREAS, on April 18, 2021, the City Council approved the consolidation of the Recreation, Public Works Services, and Senior Center Departments into one department, the Public Services Department, to provide a more cost effective, uniformed, and essential public services department with increased customer service. With the completion of the reorganization and a thorough review of the program expenditures with the current level of service being requested to be provided at the Aquatics Center, Staff reviewed the overall staffing needs; and

WHEREAS, the staffing requirement to provide high quality Recreation and Aquatics centers entails hiring a full-time Senior Recreation Leader, reclassifying the existing two permanent part-time Senior Recreation Leaders to full-time, hire a full-time Aquatics Supervisor, and hire four (4) part-time Aquatic Aides/Pool Cashiers; and

WHEREAS, the recommended staffing changes and additions would require an appropriation totaling $203,450 to the General Fund FY 2021-2022 Budget from the General Fund Reserves.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The recitals of this Resolution are true and incorporated as findings herein.

SECTION 2. That the City Council of the City of Irwindale approves an appropriation of $203,450 to the General Fund FY 2021-2022 Budget from the General Fund Reserves to fund the total cost to hire a full-time Senior Recreation Leader, reclassify the existing two permanent part-time Senior Recreation Leaders to full-time, hire a full-time Aquatics Supervisor, and hire four (4) part-time Aquatic Aides/Pool Cashiers.

SECTION 3. That the City Council of the City of Irwindale approves and authorizes the Personnel Director to hire a full-time Senior Recreation Leader, reclassifying the existing two permanent part-time Senior Recreation Leaders to full-time, hire a full-time Aquatics Supervisor, and hire four (4) part-time Aquatic Aides/Pool Cashiers.

SECTION 4. If any section, subsection, sentence, clause, phrase, or portion of this Resolution, or the application thereof to any person or circumstances, is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the application of any other section, subsection, sentence, clause, phrase, or portion of this Resolution, and to this end the invalid or unconstitutional section, subsection, sentence, clause, phrase of this Resolution are declared to be severable. The City Council hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, phrase, part or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, parts or portions thereof be declared invalid or unconstitutional.

SECTION 4. This Resolution shall take effect immediately and the Chief Deputy City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this 23rd day of June 2021.

_____
H. Manuel Ortiz, Mayor

ATTEST:

_____
Laura M. Nieto, MMC

Chief Deputy City Clerk

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.
CITY OF IRWINDALE }

I, Laura M. Nieto, MMC, Chief Deputy City Clerk of the City of Irwindale, do hereby certify that the foregoing Resolution No. 2021-56-3268 as duly adopted by the City Council of the City of Irwindale, at a regular meeting held on the 23rd day of June 2021, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

ABSTAIN: Councilmembers:

_____
Laura M. Nieto, MMC
Chief Deputy City Clerk

CC Item 2C

☒City Council
☐Successor Agency
☐Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Mayor and Members of the City Council

From: William K. Tam, City Manager

Issue: Appointment of a Planning Commissioner to Fill an Unscheduled Vacancy for a term expiring December 31, 2022

City Manager's Recommendation:

Adopt Resolution No. 2021-55-3267 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPOINTING A MEMBER TO THE PLANNING COMMISSION OF THE CITY OF IRWINDALE TO FILL AN UNSCHEDULED VACANCY" reading by title only and waiving further reading thereof.

Administrative Action:

Submitted by:

Theresa Olivares, Assistant City Manager

Prepared by:

Laura Nieto, Chief Deputy City Clerk

Reviewed by:

Electronically Approved

Adrian Guerra, City Attorney

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, City Manager

Background and Analysis:

On Thursday, May 20, 2021, staff received the resignation of Planning Commissioner Loretta Corpis, thereby creating an unscheduled vacancy on the Planning Commission for Ms. Corpis's term, which expires on December 31, 2022.

In accordance with California Government Code 54974 (a) "Whenever an unscheduled vacancy occurs in any board, commission, or committee for which the legislative body has the appointing power, whether due to resignation, death, termination, or other causes, a special vacancy notice shall be posted in the office of the clerk of the local agency, on either the local agency's Internet Web site or at the library designated pursuant to Section 54973, and in other places as directed by the legislative body, not earlier than 20 days before or not later than 20 days after the vacancy occurs. Final appointment to the board, commission, or committee shall not be made by the legislative body for at least 10 working days after the posting of the notice in the clerk's office."

On Monday, May 24th, the City Clerk's Office posted a Notice of Unscheduled Vacancy for the Planning Commission at City Hall, the Library and Post Office and on Tuesday, May 25th, sent a Citywide mailer to all residents advertising the vacancy. The deadline for submission of applications was Wednesday, June 16, 2021 at 6:00 p.m.

The following individuals timely submitted applications for consideration of appointment to this vacancy and are listed below by the date received in the City Clerk's Office:

Fredrick Barbosa
Patsy Gonzales
David Fuentes
Suzanne E. Gomez
Robert Gallegos

Note, pursuant to Resolution No. 2020-60-3220 the City Council may consider late applications submitted as of June 16, 2020. The City Council did not receive any late applications.

Per IMC section 2.28.020 (E), "Vacancies to the commission shall be filled by the council in the same manner as new appointments are made, except that such an appointee shall serve only for the unexpired term of the person whose seat he/she has been appointed to."

Fiscal Impact:

There is no fiscal impact associated with this action. The stipend paid to Commissioners is budgeted for FY 2020/21 and FY 2021/22.

Attachment(s):

- Resolution No. 2021-55-3267
- Submitted Applications

RESOLUTION NO. 2021-55-3267

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE APPOINTING A MEMBER TO THE PARKS & RECREATION COMMISSION OF THE CITY OF IRWINDALE TO FILL AN UNSCHEDULED VACANCY

THE CITY COUNCIL OF THE CITY OF IRWINDALE, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Pursuant to Irwindale Municipal Code Section 2.32.020, the following person is appointed to the Planning Commission of the City of Irwindale, to fill an unscheduled vacancy with a term expiring December 31, 2022.

Section 2. The Chief Deputy City Clerk shall certify to the adoption of this Resolution and shall transmit a certified copy thereof to the newly appointed members.

PASSED, APPROVED, and ADOPTED this 23rd day of June 2021.

_____
H. Manuel Ortiz, Mayor

ATTEST:

_____
Laura M. Nieto, MMC
Chief Deputy City Clerk

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.
CITY OF IRWINDALE }

I, Laura M. Nieto, Deputy City Clerk of the City of Irwindale, do hereby certify that the foregoing Resolution No. 2021-55-3267 was adopted at a regular meeting of the Irwindale City Council held on the 23rd day of June 2021, by the following vote of the Council:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

ABSTAIN: Councilmembers:

_____
Laura M. Nieto, MMC
Chief Deputy City Clerk

RECEIVED
JUN 0 1 2021
CITY OF IRWINDALE
11:57am
SF.

APPLICATION FOR APPOINTMENT TO BOARD OR COMMISSION

List the Board or Commission applying for: PLANNING
(print or type name of one Board or Commission)

Name: Frederick Barbosa

Address: _____

Occupation: retired

Employer: _____

Address: _____

Home Phone: _____ Business Phone: ( ) _____

Years in Irwindale: 72 Registered Voter? yes

Educational background / degree: some college

Licenses or Special Certificates: _____

List any Irwindale, Los Angeles County, or other City committee, board or commission on which you presently serve or have served, and the year served. IRWINDALE CITY COUNCIL

Please answer the following questions completely

What are your reasons for wanting to serve on the Board or Commission? (Use additional paper, if necessary.) have seen bad decisions based on the lack of reading information and mis-information. Want to maximize the City's resources that are left to the benefit of the city & its residents

Why do you feel that you would make a good Board Member or Commissioner? (Use additional paper, if necessary.) I get involved, I try to read everything I can to help make right decisions based on facts and to better serve the City, Community & residents

Have you applied for a City Board or Commission before? Yes _____ No X

If so, which one? _____

Abilities, experiences, and interest which you believe would contribute to your participation in municipal government: Politically involved all my life in city, state and fed. politics. Very appreciative. One goal I was to handled 25-35 workers under me, & learned to respect everyone, even though everyone is different. Focus on our strengths!

CERTIFICATION

By initialing below, I certify:

DAB I am a registered voter in the City of Irwindale

____ I meet the minimum age requirement of 50 years *(if applying for the Senior Citizen Commission)*

PLEASE INCLUDE A RESUME, IF AVAILABLE

Signature: Diedrich L. Barbosa Date: 6.1.21

ALL DATA SUPPLIED ON THIS APPLICATION IS CONSIDERED PUBLIC INFORMATION.

Return application to: **Chief Deputy City Clerk**
City of Irwindale
5050 N. Irwindale Avenue
Irwindale, CA 91706

Please contact the Chief Deputy City Clerk at 626-430-2202 if you have any questions.

I apologize for the bad grammar. Work in progress!

RECEIVED
JUN 0 3 2021 5:24pm
CITY OF IRWINDALE
CITY CLERKS DEPT.

APPLICATION FOR APPOINTMENT TO BOARD OR COMMISSION

List the Board or Commission applying for: Planning Commission
(print or type name of one Board or Commission)

Name: Patricia Gonzales

Address: [redacted]

Occupation: Secretary

Employer: City of Pico Rivera

Address: 6615 Passons Blvd., Pico Rivera, CA 90660

Home Phone: ( ) _____ Business Phone: ( ) _____

Years in Irwindale: _____ Registered Voter? yes

Educational background / degree: Master Degree - Organizational Leadership

Licenses or Special Certificates: _____

List any Irwindale, Los Angeles County, or other City committee, board or commission on which you presently serve or have served, and the year served. Planning Commissioner - City of Irwindale- 2013

Please answer the following questions completely

What are your reasons for wanting to serve on the Board or Commission? (Use additional paper, if necessary.) I like to participate in helping my city become more user friendly. I like to know the happenings. I like doing research when needed. I think it is useful to have other people's opinion

Why do you feel that you would make a good Board Member or Commissioner? (Use additional paper, if necessary.) I'm s good listener. I like to help people. If I don't know what I am reading, I ask. I've served on the commission before. I respect the Planners.

Have you applied for a City Board or Commission before? Yes X No ____
If so, which one? 2013

Abilities, experiences, and interest which you believe would contribute to your participation in municipal government: I currently work in another city and am familiar with the public sector practices

CERTIFICATION

By initialing below, I certify:

X I am a registered voter in the City of Irwindale
____ I meet the minimum age requirement of 50 years *(if applying for the Senior Citizen Commission)*

PLEASE INCLUDE A RESUME, IF AVAILABLE

Signature: [signature] Date: June 3, 2021

ALL DATA SUPPLIED ON THIS APPLICATION IS CONSIDERED PUBLIC INFORMATION.

Return application to: **Chief Deputy City Clerk**
City of Irwindale
5050 N. Irwindale Avenue
Irwindale, CA 91706

Please contact the Chief Deputy City Clerk at 626-430-2202 if you have any questions.

RECEIVED
JUN 10 2021
CITY OF IRWINDALE

3:44 pm

APPLICATION FOR APPOINTMENT TO BOARD OR COMMISSION

List the Board or Commission applying for: Planning Commission
(print or type name of one Board or Commission)

Name: David Fuentes

Address: _____

Occupation: Operations Manager

Employer: OC & C Construction

Address: 739 W. Taft Ave. Orange, CA. 92865

Home Phone: _____ Business Phone: _____

Years in Irwindale: 60 Registered Voter? yes

Educational background / degree: High School Diploma

Licenses or Special Certificates: _____

List any Irwindale, Los Angeles County, or other City committee, board or commission on which you presently serve or have served, and the year served. Planning Commission (Irwindale) & City Counsel Member, Mayor

Please answer the following questions completely

What are your reasons for wanting to serve on the Board or Commission? (Use additional paper, if necessary.) To serve the City & Community

Why do you feel that you would make a good Board Member or Commissioner? (Use additional paper, if necessary.) I have plenty of experience dealing with various municipalitys & knolewdge of Building & Construction

Have you applied for a City Board or Commission before? Yes X No ____
If so, which one? Planning Commission, Park & Rec

Abilities, experiences, and interest which you believe would contribute to your participation in municipal government: 42 years of Construction Background, Served on the Planning Commission & City Council for a total of 14 years

CERTIFICATION

By initialing below, I certify:

DT I am a registered voter in the City of Irwindale
____ I meet the minimum age requirement of 50 years *(if applying for the Senior Citizen Commission)*

PLEASE INCLUDE A RESUME, IF AVAILABLE

Signature: _____ Date: 06/10/2021

ALL DATA SUPPLIED ON THIS APPLICATION IS CONSIDERED PUBLIC INFORMATION.

Return application to: **Chief Deputy City Clerk**
City of Irwindale
5050 N. Irwindale Avenue
Irwindale, CA 91706

Please contact the Chief Deputy City Clerk at 626-430-2202 if you have any questions.

RECEIVED
JUN 16 2021
CITY OF IRWINDALE

Sylvia 10:20am

APPLICATION FOR APPOINTMENT TO BOARD OR COMMISSION

List the Board or Commission applying for: Planning
(print or type name of one Board or Commission)

Name: Suzanne E. Gomez

Address:

Occupation: Consultant

Employer: Self employed

Address: 14108 Calle de Pasco

Home Phone: Business Phone:

Years in Irwindale: 40 Registered Voter? yes

Educational background / degree: BA Public Admin; Master Organiz. Develop

Licenses or Special Certificates: At certification

List any Irwindale, Los Angeles County, or other City committee, board or commission on which you presently serve or have served, and the year served. Mt. SAC Antonio College Board Member, Bd of director Irwindale Educational Fund.

Please answer the following questions completely

What are your reasons for wanting to serve on the Board or Commission? (Use additional paper, if necessary.) I have a deep appreciate for our City and it history. I would like to support the community and government in supporting our vision and history

Why do you feel that you would make a good Board Member or Commissioner? (Use additional paper, if necessary.) I have had numerous opportunities to serve on several boards and I know the seriousness and responsibility to serve on boards that affects people and the community

Have you applied for a City Board or Commission before? Yes X No ____

If so, which one? Planning Comission

Abilities, experiences, and interest which you believe would contribute to your participation in municipal government: Because of my parents and mothers knowledge and drive for knowledge and love of community my education has helped me see a vision for our City. And I would like to use these skills for my community.

CERTIFICATION

By initialing below, I certify:

Ue I am a registered voter in the City of Irwindale

____ I meet the minimum age requirement of 50 years *(if applying for the Senior Citizen Commission)*

PLEASE INCLUDE A RESUME, IF AVAILABLE

Signature: _____ Date: 6-16-21

ALL DATA SUPPLIED ON THIS APPLICATION IS CONSIDERED PUBLIC INFORMATION.

Return application to: **Chief Deputy City Clerk**
City of Irwindale
5050 N. Irwindale Avenue
Irwindale, CA 91706

Please contact the Chief Deputy City Clerk at 626-430-2202 if you have any questions.

RECEIVED
JUN 16 2021 1:55 pm
CITY OF IRWINDALE
CITY CLERKS DEPT.

IRWINDALE

APPLICATION FOR APPOINTMENT TO BOARD OR COMMISSION

List the Board or Commission applying for: Planning Commission
(print or type name of one Board or Commission)

Name: Robert David Gallegos

Address: [redacted]

Occupation: Departmental Civil Service Representative

Employer: Los Angeles County Probation Department

Address: Probation Headquarters, 9150 East Imperial Hwy., Downey, CA 90242

Home Phone: [redacted] Business Phone: [redacted]

Years in Irwindale: 4 Registered Voter? Yes

Educational background / degree: Associate of Science, Administration of Justice

Licenses or Special Certificates: Please see attached.

List any Irwindale, Los Angeles County, or other City committee, board or commission on which you presently serve or have served, and the year served. None

Please answer the following questions completely

What are your reasons for wanting to serve on the Board or Commission? (Use additional paper, if necessary.) Please see attached.

Why do you feel that you would make a good Board Member or Commissioner? (Use additional paper, if necessary.) Please see attached.

Have you applied for a City Board or Commission before? Yes X No

If so, which one? Planning Commission

Abilities, experiences, and interest which you believe would contribute to your participation in municipal government: Please see attached.

PLEASE INCLUDE A RESUME, IF AVAILABLE

Signature: _____ Date: 6/16/2021

ALL DATA SUPPLIED ON THIS APPLICATION IS CONSIDERED PUBLIC INFORMATION.

Return application to: **Chief Deputy City Clerk**
City of Irwindale
5050 N. Irwindale Avenue
Irwindale, CA 91706

Please contact the Chief Deputy City Clerk at 626-430-2202 if you have any questions.

Robert Gallegos

Irwindale, CA 91706

WORK EXPERIENCE:

Los Angeles County Probation Department, Performance Management

Payroll Title: Departmental Civil Service Representative 12/2018 to Present

- Prepare letters of discipline from substantiated internal affairs investigations.
- Review written, video, photographic, and audio evidence.
- As a subject matter expert, provide recommended discipline levels and other solutions regarding discipline to decision makers.
- Represent the Department during *Skelly* meetings.
- Write settlement agreements on behalf of the Department.
- Monitor cases sent out to private counsel or DHR Advocacy.

Los Angeles County Agricultural Commissioner/Weights and Measures, Performance Management/Employees Relations Unit

Payroll Title: Senior Departmental Personnel Technician 2/2015 to 11/2018
Payroll Title: Management Analyst (out of class bonus for Sr. DPT) 6/2014 to 1/2015

- Manage the Performance Management and Employee Relations Unit
- In the absence of the HR Manger, act as the lead over HR.
- Conduct administrative investigations regarding misconduct, prepare investigation reports, interview subjects and witnesses.
- Prepare letters of discipline.
- As a subject matter expert, provide recommended discipline levels and other solutions regarding discipline to decision makers.
- Represent the Department during *Skelly* meetings.
- Represent the Department on all matters pertaining to labor-union including grievances, Joint Labor Management Meetings.
- Represent the Department during union contract bargaining.
- Reasonable Suspicion Officer including Drug and Alcohol-Free Workplace Policy enforcement, Employee Assistance Program.

Los Angeles County Public Health, Performance Management

Payroll Title: Management Analyst	2/2014 to 5/2014
Payroll Title: Administrative Assistant III	6/2013 to 1/2014
Payroll Title: Administrative Assistant II	9/2010 to 5/2013

- Conduct administrative investigations regarding misconduct, prepare investigation reports, interview subjects and witnesses.
- Prepare letters of discipline.
- As a subject matter expert, provide recommended discipline levels and other solutions regarding discipline to decision makers.
- Reasonable Suspicion Officer including Drug and Alcohol-Free Workplace Policy enforcement, Employee Assistance Program.

Los Angeles County Police/Office of Public Safety

Payroll Title: Police Sergeant	6/2007 to 8/2010
Payroll Title: Police Officer/Background Investigator	8/2006 to 5/2007
Payroll Title: Police Officer	12/1997 to 7/2006

- Sergeant: Supervise police officers and civilian staff, complete annual PE's on officers, investigate personnel complaints, approve police reports, monitor training compliance.
- Background Investigator: Conduct police background investigations on police applicants.
- Police Officer: Provide for public safety by maintaining order, respond to emergencies, protect persons and property, enforce vehicle and criminal laws, and testify in court.

EDUCATION:

RIO HONDO College

Associate of Science, Administration of Justice, December 2009

PROFESSIONAL CERTIFICATION:

- BPAT Advocacy Training
- California Police Officer Standards and Training Supervisory Certificate
- California Police Officer Standards and Training Advance Certificate
- California Police Officer Standards and Training Intermediate Certificate
- California Police Officer Standards and Training Basic Certificate
- Riverside County Police Background Investigations
- Rio Hondo Police Academy

References Available Upon Request

Licenses or Special Certificates:

- Administrative Hearings & Labor Arbitration
- California Police Officer Standards and Training Supervisory Certificate
- California Police Officer Standards and Training Advance Certificate
- California Police Officer Standards and Training Intermediate Certificate
- California Police Officer Standards and Training Basic Certificate
- Riverside County Police Background Investigations
- Rio Hondo Police Academy

What are you reasons to serve on the Board or Commission?

I want to give back to the community I live in and actively be involved.

Why do you feel you would make a good Board Member or Commissioner?

I have a vested interest in the community where I plan on retiring. My 23 years' experience working in government in the County of Los Angeles has provided me with knowledge in analyzing problems and making recommendations for solutions. I have leadership experience as a former Police Sergeant. I also have experience in working in committees representing the County of Los Angeles (Joint Labor Management Committee).

Abilities, experience, and interest you believe would contribute to your participation in municipal government:

I have 23 years' experience in County Government. I have vast knowledge of analyzing problems and recommending solutions.

CC Item 2D

☒City Council
☐Successor Agency
☐Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Mayor and Members of the City Council

From: William K. Tam, City Manager

Issue: North San Gabriel Valley River Working Group Update

City Manager's Recommendation:

1. Receive an update regarding the North San Gabriel Valley Working Group
2. Discuss and provide direction regarding a homeless shelter, including site identification

Administrative Action:

Prepared /Submitted by:

Theresa Olivares, Assistant City Manager
(626) 430-2294

Reviewed by:

Adrian R. Guerra, City Attorney — ***Electronically Approved***

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, City Manager

Background and Analysis:

Since September 30, 2021, Mayor Ortiz and Councilmember Ambriz, as representatives for the City of Irwindale, have participated in several meeting with elected officials from the cities of Azusa and Duarte to discuss the current state of affairs of the San Gabriel Riverbed. Representatives from Congresswoman F. Grace Napolitano, Supervisor Hilda L. Solis, and the Los Angeles Homeless Services Authority have also attended these meetings.

The ad-hoc committee has expressed concerns with the situation at the San Gabriel Riverbed and Lario Park, as the riverbed performs essential flood protection, groundwater recharge, storm water conservation, and is an important source of local water supply. According to the U.S. Army Corps of Engineers Los Angeles District, the use of this riverbed land for homeless encampments is prohibited and presents a health and safety hazard to homeless persons, residents, the environment and wildlife. The dam's purpose is to reduce the risk of flood damage for the populated areas surrounding the dam. During a flash flood water rushes into the basin and is released through spillways, which presents a dangerous situation when individuals reside in the spillway. Additionally, the Los Angeles County Fire Department has reported multiple fires in the riverbed since January 2021. These fires are becoming a growing concern as they threaten lives and destroy property.

The City of Irwindale intends to work closely with the cities of Azusa and Duarte to address the San Gabriel Riverbed issue, including identifying a potential shelter location to house the unhoused occupying this area. Based on the Los Angeles Los Angeles Homeless Services Authority 2020 homeless count the homeless population for the respective cities is a follows: Irwindale – 7, Duarte, 25, and Azusa – 243. On June 23, 2021, the ad-hoc committee pledged to discuss potential homeless shelter sites within their jurisdiction with their respective city council members and share this information with the ad-hoc committee. In addition to determining a potential site, the Council must identify its desire to have an emergency homeless shelter, transitional homeless shelter, or permanent supportive housing homeless shelter. An emergency homeless shelter provides short term services and support for individuals experiencing a financial or home crisis. Transitional homeless shelters offer temporary residence ranging from 6 to 24 months and are designed to help individuals find a new home. Permanent supportive housing homeless shelters provides housing for disabled individuals who have been homeless for 1 or more years and links the individual with case management and supportive services.

Fiscal Impact:
No fiscal impact.

CC Item 2E

☒City Council
☐Successor Agency
☐Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Mayor and Members of the City Council

From: William K. Tam, City Manager

Issue: A RESOLUTION TO EXTEND THE EXISTENCE OF A LOCAL EMERGENCY REGARDING COVID-19 PANDEMIC

City Manager's Recommendation:

It is recommended that the City Council:

1) ADOPT RESOLUTION NO. 2021-57-3269 ENTITLED "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE, CALIFORNIA EXTENDING THE EXISTENCE OF A LOCAL EMERGENCY RELATED TO COVID-19 PANDEMIC WITHIN THE CITY OF IRWINDALE PURSUANT TO IRWINDALE MUNICIPAL CODE CHAPTER 2.44."

Administrative Action:

Submitted by:

William K. Tam, City Manager

Prepared by:

Iris Espino, Economic Development Coordinator

Reviewed by:

Adrian R. Guerra, City Attorney — ***Electronically Approved***

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, City Manager

Background and Analysis:

On March 4, 2020, Governor Newson declared the existence of a state of emergency for the State of California in response to an outbreak of a respiratory illness known as coronavirus ("COVID-19"). On March 4, 2020, the Los Angeles County Board of Supervisors and the Department of Public Health declared a local and public health emergency in response to the increased spread of COVID-19 across the country.

On March 18, 2020, the City Council adopted Resolution No. 2020-18-3178, pursuant to Chapter 2.44 of the Irwindale Municipal Code, confirming the proclamation of the existence of a local emergency due to COVID-19, as declared by the City's Director of Emergency Services on March 12, 2020.

On May 13, 2020 (Resolution No. 2020-32-3137), July 22, 2020 (Resolution No. 2020-58-3218), September 9, 2020 (Resolution No. 2020-71-3231), October 28, 2020 (Resolution No. 2020-81-3241), January 10, 2021 (Resolution No. 2021-02-3264) and March 10, 2021 (Resolution No. 2021-22-3234), and April, 28, 2021 (Resolution No. 2021-26-3248) the City Council reviewed and extended the local emergency due to the continued existence of conditions of extreme peril caused by the effects of COVID-19.

While Los Angeles County's coronavirus metrics have been steadily dropping and the State is reopening, it is recommended that the City Council extend the local emergency for an additional period of 60 days to continue to make resources available to address the continuing effects of COVID-19.

This report will be supplemented by a PowerPoint presentation that will provide a COVID-19 update.

Fiscal Impact:

There is no fiscal impact at this time in approving the 60-day extension of the COVID-19 local emergency.

Attachment: Resolution No. 2021-57-3269

RESOLUTION 2021-57-3269

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE, CALIFORNIA EXTENDING THE EXISTENCE OF A LOCAL EMERGENCY RELATED TO COVID-19 PANDEMIC WITHIN THE CITY OF IRWINDALE PURSUANT TO IRWINDALE MUNICIPAL CODE CHAPTER 2.44

WHEREAS, on March 4, 2020, Governor Newson declared the existence of a state of emergency for the State of California in response to an outbreak of a respiratory illness known as coronavirus ("COVID-19"); and

WHEREAS, on March 4, 2020 the Los Angeles County Board of Supervisors declared a local and public health emergency in response to the increased spread of COVID-19 across the country; and

WHEREAS, on March 18, 2020, the City Council adopted Resolution No. 2020-18-3178, pursuant to Chapter 2.44 of the Irwindale Municipal Code, which confirmed the March 12, 2020 declaration by the Director of Emergency Services of a local emergency related to the COVID-19 Pandemic COVID-19; and

WHEREAS, On May 13, 2020 (Resolution No. 2020-32-3137), July 22, 2020 (Resolution No. 2020-58-3218), September 9, 2020 (Resolution No. 2020-71-3231), October 28, 2020 (Resolution No. 2020-81-3241), January 10, 2021 (Resolution No. 2021-02-3264), March 10, 2021 (Resolution No. 2021-22-3234), and April, 28, 2021 (Resolution No. 2021-26-3248) the City Council reviewed and extended the local emergency due to the continued existence of conditions of extreme peril caused by the effects of COVID-19; and

WHEREAS, after consideration of all items before it, the City Council of the City of Irwindale desires to extend the existence of a local emergency related to the COVID-19 Pandemic for 60 days to continue to make resources available to address the continuing effects of COVID-19.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF IRWINDALE, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The recitals are true and incorporated as finding herein.

SECTION 2. The City Council does hereby extend the City's proclamation of local emergency due to COVID-19, as last ratified by the City Council in Resolution No. 2021-26-3248 on April 28, 2021, for a period of 60 days.

SECTION 3. For the duration of the statewide emergency, Governor Newsom has waived the requirement of Government Code Section 8630 that the City Council review the need for continuing the local emergency at least once every 60 days until the City Council

terminates the local emergency. If this declaration of local emergency extends for more than the duration of the statewide emergency declared for COVID-19, City Staff are directed to thereafter return this item for City Council review of the need for continuing the local emergency at least once every 60 days until the City Council terminates the local emergency.

SECTION 4. If any section, subsection, sentence, clause, phrase, or portion of this Resolution, or the application thereof to any person or circumstances, is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the application of any other section, subsection, sentence, clause, phrase, or portion of this Resolution, and to this end the invalid or unconstitutional section, subsection, sentence, clause, phrase of this Resolution are declared to be severable. The City Council hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, phrase, part or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, parts or portions thereof be declared invalid or unconstitutional.

SECTION 5. This Resolution shall take effect immediately and shall be published and promulgated in a widespread manner as is reasonably feasible under the conditions prevailing during this local emergency. A copy of this Resolution shall be forwarded to the Los Angeles County Operational Area Coordinator for transmission to California Emergency Management Agency.

PASSED, APPROVED AND ADOPTED this 23rd day of June 2021.

_____
H. Manuel Ortiz, Mayor

ATTEST:

_____
Laura M. Nieto, CMC
Chief Deputy City Clerk
STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.
CITY OF IRWINDALE }

I, Laura M. Nieto, Chief Deputy City Clerk of the City of Irwindale, do hereby certify that the foregoing Resolution No. 2021-57-3269 was adopted by the City Council of the City of Irwindale, at a regular meeting held on the 23rd day of June, 2021 by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

ABSTAIN: Councilmembers:

_____
Laura M. Nieto, CMC
Chief Deputy City Clerk

CC Item 2F

☒City Council
☐Successor Agency
☐Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Mayor and Members of the City Council

From: William K. Tam, City Manager/Executive Director

Issue: Adoption of the Fiscal Year 2021-22 Budget

City Manager's Recommendation:

It is recommended that the City Council adopt Ordinance No. 757 entitled: "**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRWINDALE ADOPTING THE BUDGET FOR FISCAL YEAR 2021-2022,"** reading by title only and waiving further reading thereof.

Administrative Action:

Submitted by:
Eva Carreon, Finance Director/City Treasurer
626) 430-2221

Reviewed by:
Adrian R. Guerra, City Attorney

Electronically Approved

Eva Carreon, Finance Director/City Treasurer

Approved by:

William K. Tam, City Manager

Background and Analysis

On Wednesday, June 9, 2021, the City Council held a duly noticed Public Hearing to conduct the First Reading of Ordinance No. 757 for adoption of the FY 2021-2022 Budget.

The City Council was provided with a verbal report on the FY 2021-2022 Revenue and Expenditure Budgets proposed for adoption. This report included a summary of the two Budget Workshop sessions held on May 17, 2021 and May 26, 2021, during which the City Council reviewed and approved several new budget requests related to personnel, operating and capital project budgets.

During the Budget Workshops, the City Council also reviewed and approved the use of one-time revenues expected in FY 2021-2022 toward the full payoff of the General Fund PERS loan from the Reclamation Fund, and the establishment of a pension trust to fund future obligations.

Upon the conclusion of the verbal report, the City Council opened the Public Hearing to allow for comments regarding the FY 2021-2022 Budget from both the public and councilmembers.

FY 2021-2022 Budget Summaries

Ordinance No. 757 includes Exhibit A which lists the final revenue and expenditure budgets for all funds of the City and its agencies to be adopted for FY 2021-2022. These totals include all changes discussed and approved by the City Council during the two Budget Workshop sessions.

The tables below list the final FY 2021-2022 Budget Summaries for the City's two primary funds, the General Fund and Mining Impact Fund:

General Fund	Revenue	Expenditures	Surplus / (Deficit)
Operating Budget	21,401,970	(20,699,950)	702,020
One-Time Items	10,382,170	(7,257,730)	3,124,440
Sub-Total:	31,784,140	(27,957,680)	3,826,460
Capital Projects	-	(5,991,400)	(5,991,400)
Revised Totals:	**31,784,140**	**(33,949,080)**	**(2,164,940)**

Mining Impact Fund	Revenue	Expenditures	Surplus / (Deficit)
Operating Budget	4,725,000	(4,398,030)	326,970
One-Time Items	-	(329,200)	(329,200)
Sub-Total:	4,725,000	(4,727,230)	(2,230)
Capital Projects	-	(740,000)	(740,000)
Revised Totals:	**4,725,000**	**(5,467,230)**	**(742,230)**

Fiscal Impact:

Adoption of Ordinance No. 757 will approve the FY 2021-2022 Budgets listed in Exhibit A for all City funds, the Housing Authority and Reclamation Authority.

The Budget Summary for the General Fund shows a surplus projected of $3.8 million for its Operating Budget and One-Time Items. However, the large Capital Projects budget approved will cause an overall deficit of $2.1 million.

The General Fund Reserve balance is currently projected to be $29 million at the end of FY 2020-2021. Adoption of the proposed FY 2021-2022 Budget will reduce the fund balance by the $2.1 million deficit, resulting in a projected General Fund Reserve balance of $26.9 million as of June 30, 2022.

Attachment: Ordinance No. 757

ORDINANCE NO. 757

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRWINDALE ADOPTING THE BUDGET FOR FISCAL YEAR 2021-2022

WHEREAS, a copy of the Proposed Budget for FY 2021-22 has been posted electronically with the City Council Agenda for public review and in the Office of the Deputy City Clerk, and

WHEREAS, the City Council conducted a duly noticed public hearing to consider the proposed budget on June 9, 2021.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF IRWINDALE DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The budget for the City of Irwindale for Fiscal Year 2021-22, was prepared and submitted by the City Manager, and as modified by the City Council, is hereby approved and adopted. The operating and capital budget amounts are hereby authorized for the fiscal year within departments by fund, as listed on Exhibit A.

SECTION 2. From the effective date of said budget, the total amount as stated therein for each departmental activity account shall be appropriated subject to expenditure pursuant to all applicable ordinances of the City and statutes of the State. The operating budget may be reallocated by the City Manager providing there is no change in the total appropriations within any funds as authorized by the City Council.

SECTION 3. At the close of the fiscal year, unexpended appropriations in the operating budget will be unencumbered as necessary to underwrite the expense of outstanding purchase commitments. Unexpended appropriations for authorized, but uncompleted projects may be carried forward to the next succeeding budget upon approval by the City Manager.

SECTION 4. Total appropriations within the funds will be increased only by amendment of the budget by resolution approved by the City Council.

SECTION 5. The City Manager may reduce expenditure appropriations within funds as a method of fiscal control, and the Director of Finance may decrease revenue estimates to reflect economic change during the fiscal period.

SECTION 6. The Director of Finance is hereby authorized to transfer monies in accordance with the interfund transfers listed in said budget, and to transfer monies to cover operational expenditures of the City through transfers of funds in such amounts, and at such times during the fiscal year as may be determined necessary to the competent operation and control of City business, or to provide adequate cash flow,

except that no such transfer shall be made in contravention of State law or City ordinances.

SECTION 7. Adjustments made by the City Council during the budget hearing and documented in the minutes for this action will be incorporated with the final printed budget document. The City Manager is hereby authorized to approve any corrections in the budget document that are clerical in nature. Additionally, the City Council may amend the budget at any time by adoption of appropriate budget resolutions.

SECTION 8. The Chief Deputy City Clerk shall certify the passage of this Ordinance and shall cause the same to be posted in accordance with law.

PASSED, APPROVED, AND ADOPTED this 23th day of June 2021.

_____
H. Manuel Ortiz, Mayor

ATTEST:

_____
Laura M. Nieto, CMC
Chief Deputy City Clerk

State of California }
County of Los Angeles } ss.
City of Irwindale }

I, Laura M. Nieto, Chief Deputy City Clerk of the City of Irwindale, California, do hereby certify that the foregoing Ordinance No. 757 was duly introduced at a regular City Council meeting held on the 9th day of June 2021, and adopted at a regular meeting of the City Council held on the 23th day of June 2021, by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

ABSTAIN: Councilmembers:

Laura M. Nieto, CMC
Chief Deputy City Clerk

AFFIDAVIT OF POSTING

I, Laura Nieto, Chief Deputy City Clerk, certify that I caused a copy of Ordinance No. 757, adopted by the City Council of the City of Irwindale at its regular meeting held June 23, 2021, to be posted at the City Hall, Library, and Post Office on June __, 2021.

Dated: June ____, 2021

Laura M. Nieto, CMC
Deputy City Clerk

Exhibit A

City of Irwindale
FY 2021-2022
Budget Summary

Fund No	Fund		FY 2021-22 Revenues	FY 2021-22 Expenditures	Surplus (Deficit) FY 2021-22
General Fund					
01	General Fund	On-Going Budget	$ 21,401,970	$ (20,699,950)	$ 702,020
		One-Time Items	$ 10,382,170	$ (7,257,730)	$ 3,124,440
		Capital Projects Transfers	$ -	$ (5,991,400)	$ (5,991,400)
		TOTAL GENERAL FUND	$ 31,784,140	$ (33,949,080)	$ (2,164,940)
Irwindale Housing Authority Fund					
11	Irwindale Housing Authority		$ 400	$ (6,180)	$ (5,780)
12	IHA-Low/Mod Housing Asset Fund		$ 25,000	$ (350,400)	$ (325,400)
		TOTAL HOUSING AUTHORITY FUNDS	$ 25,400	$ (356,580)	$ (331,180)
Mining Impact Fund					
13	Mining Impact	On-Going Budget	$ 4,725,000	$ (4,398,030)	$ 326,970
		One-Time Items	$ -	$ (329,200)	$ (329,200)
		Capital Projects Transfers	$ -	$ (740,000)	$ (740,000)
		TOTAL MINING IMPACT FUND	$ 4,725,000	$ (5,467,230)	$ (742,230)
Reclamation Authority					
14	Reclamation Fund		$ 62,260	$ (42,260)	$ 20,000
19	Olive Pit Royalty Fund		$ 1,500,500	$ (1,500,000)	$ 500
		TOTAL RECLAMATION AUTHORITY FUNDS	$ 1,562,760	$ (1,542,260)	$ 20,500
Grant & Special Revenue Funds					
15	AB939 Recycling Fund		$ 261,000	$ (258,670)	$ 2,330
21	State Gas Tax Fund		$ 73,050	$ (73,050)	$ -
22	Air Quality Improvement Fund		$ 1,700	$ (1,700)	$ -
25	Proposition A Fund		$ 29,010	$ (35,000)	$ (5,990)
26	Proposition C Fund		$ 24,020	$ (24,020)	$ -
27	Measure R Fund		$ 18,010	$ (18,010)	$ -
28	TDA Article 3 Fund		$ 5,000	$ (5,000)	$ -
29	Measure M Fund		$ 20,410	$ (20,410)	$ -
30	Measure W Fund		$ 432,700	$ (432,700)	$ -
32	Community Development Block Grant Fund		$ 9,330	$ (9,330)	$ -
		TOTAL GRANT & OTHER SPECIAL REVENUE FUNDS	$ 874,230	$ (877,890)	$ (3,660)
Assessment Districts					
44	Street Light Assmt District-IBC Fund		$ 13,400	$ (13,400)	$ -
45	Sewer Maintenance Assmt District-IBC Fund		$ 118,330	$ (118,330)	$ -
		TOTAL ASSESSMENT DISTRICT REVENUE FUNDS	$ 131,730	$ (131,730)	$ -
Capital Projects Fund					
47	Development Impact Fee Fund		$ 365,600	$ (365,600)	$ -
48	Capital Projects Fund		$ 2,875,000	$ (2,875,000)	$ -
TOTAL BUDGETS:			**$ 42,343,860**	**$ (45,565,370)**	

SA Item 1A1

IRWINDALE CITY COUNCIL CHAMBERS
5050 N. IRWINDALE AVENUE
IRWINDALE, CALIFORNIA 91706

MAY 26, 2021
WEDNESDAY
11:32 P.M.

The Irwindale **SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY** met in regular session at the above time and place.

ROLL CALL: Present: Councilmembers Albert F. Ambriz, Mark A. Breceda, Manuel R. Garcia; Mayor Pro Tem Larry G. Burrola; Mayor H. Manuel Ortiz

Present: William Tam, City Manager; Theresa Olivares, Assistant City Manager; Adrian Guerra, City Attorney; Ty Henshaw, Police Chief; Arsanious Hanna, City Engineer; Eva Carreon, Director of Finance; Marilyn Simpson, Community Development Director; Mary Hull, Human Resources Manager, Elizabeth Rodriguez, Public Services Director; Jeff Wagner, Information Technology Manager; Iris Espino, Economic Development Coordinator; and Armando Hegdahl, Acting Deputy City Clerk

SPONTANEOUS COMMUNICATIONS There were no speakers.

CONSENT CALENDAR

MOTION A motion was made by Councilmember Breceda, seconded by Mayor Ortiz, to approve Consent Calendar, reading resolutions and ordinances by title only and waiving further reading thereof. The motion was unanimously approved.

ITEM NO. 1A1
MINUTES

MINUTES

The following minutes were approved:

1) Regular meeting held April 28, 2021

END OF CONSENT CALENDAR

NEW BUSINESS None.

PUBLIC HEARINGS None.

FUTURE AGENDA ITEMS REQUESTED BY COUNCIL MEMBERS None.

ADJOURNMENT There being no further business to conduct, the meeting was adjourned at 11:33 p.m.

Laura M. Nieto, MMC
Chief Deputy City Clerk

SA Item 1A2

IRWINDALE CITY COUNCIL CHAMBERS
5050 N. IRWINDALE AVENUE
IRWINDALE, CALIFORNIA 91706

JUNE 9, 2021
WEDNESDAY
7:51 P.M.

The Irwindale **SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY** met in regular session at the above time and place.

ROLL CALL:

Present: Councilmembers Albert F. Ambriz, Mark A. Breceda, Manuel R. Garcia; Mayor Pro Tem Larry G. Burrola; Mayor H. Manuel Ortiz

Present: William Tam, City Manager; Theresa Olivares, Assistant City Manager; Adrian Guerra, City Attorney; Ty Henshaw, Police Chief; Arsanious Hanna, City Engineer; Eva Carreon, Director of Finance; Marilyn Simpson, Community Development Director; Mary Hull, Human Resources Manager, Elizabeth Rodriguez, Public Services Director; Jeff Wagner, Information Technology Manager; Iris Espino, Economic Development Coordinator; and Laura Nieto, Chief Deputy City Clerk

SPONTANEOUS COMMUNICATIONS

There were no speakers.

CONSENT CALENDAR

MOTION

A motion was made by Councilmember Breceda, seconded by Mayor Ortiz, to approve Consent Calendar, reading resolutions and ordinances by title only and waiving further reading thereof. The motion was unanimously approved.

ITEM NO. 1A1
MINUTES

MINUTES

The following minutes were approved:

1) Regular meeting held May 12, 2021

ITEM NO. 1B
WARRANTS

WARRANTS

The warrants were approved.

ITEM NO. 1C
INVESTMENT POLICY REVIEW AND DELEGATION OF INVESTMENT AUTHORITY

INVESTMENT POLICY REVIEW AND DELEGATION OF INVESTMENT AUTHORITY (Joint on City Council, Successor Agency, Housing Authority, and Reclamation Authority agendas)

RESOLUTION NO. SA 2021-50-3262 ADOPTED

Resolution No. SA 2021-50-3262, entitled:

"A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE, SUCCESSOR AGENCY BOARD, HOUSING AUTHORITY BOARD, AND RECLAMATION AUTHORITY BOARD RATIFYING THE CITY OF IRWINDALE INVESTMENT POLICY,

AND DELEGATING AUTHORITY TO THE CITY TREASURER TO INVEST THE SURPLUS FUNDS OF THE CITY OF IRWINDALE, IRWINDALE SUCCESSOR AGENCY, IRWINDALE HOUSING AUTHORITY, AND IRWINDALE RECLAMATION AUTHORITY," was passed, approved, and adopted.

END OF CONSENT CALENDAR

NEW BUSINESS None.

PUBLIC HEARINGS None.

FUTURE AGENDA ITEMS REQUESTED BY COUNCIL MEMBERS None.

ADJOURNMENT There being no further business to conduct, the meeting was adjourned at 7:52 p.m.

Laura M. Nieto, MMC
Chief Deputy City Clerk

HA Item 1A1

IRWINDALE CITY COUNCIL CHAMBERS
5050 N. IRWINDALE AVENUE
IRWINDALE, CALIFORNIA 91706

MAY 26, 2021
WEDNESDAY
11:33 P.M.

The Irwindale **HOUSING AUTHORITY** met in regular session at the above time and place.

ROLL CALL: Present: Board Members Albert F. Ambriz, Mark A. Breceda, Manuel R. Garcia; Vice Chair Larry G. Burrola; Chair H. Manuel Ortiz

Also present: William Tam, Executive Director; Adrian Guerra, Board Attorney; Theresa Olivares, Assistant Executive Director; Ty Henshaw, Police Chief; Arsanious Hanna, City Engineer; Eva Carreon, Director of Finance; Marilyn Simpson, Community Development Director; Mary Hull, Human Resources Manager, Elizabeth Rodriguez, Public Services Director; Jeff Wagner, Information Technology Manager; Iris Espino, Economic Development Coordinator; and Armando Hegdahl, Acting Assistant Authority Secretary

SPONTANEOUS COMMUNICATIONS There were no speakers.

CONSENT CALENDAR No action taken on the Consent Calendar due to the late night hour.

ITEM NO. 1A
MINUTES

MINUTES

Recommendation: Approve the following minutes

1) Special Joint Meeting held April 28, 2021
2) Regular meeting held April 28, 2021

END OF CONSENT CALENDAR

NEW BUSINESS

ITEM NO. 2A
PROPOSED TRANSFER OF CITY-OWNED PROPERTY AT 5100 ALLEN DRIVE, TO THE IRWINDALE HOUSING AUTHORITY FOR FUTURE HOUSING DEVELOPMENT

PROPOSED TRANSFER OF CITY-OWNED PROPERTY AT 5100 ALLEN DRIVE, A 10-ACRE PARCEL ON EAST SIDE OF ALLEN DRIVE, TO THE IRWINDALE HOUSING AUTHORITY FOR FUTURE HOUSING DEVELOPMENT (Joint Item with City Council)

CONVENING OF TWO AGENCIES

The Irwindale City Council and Housing Authority were convened for this joint item.

BOARD MEMBER BRECEDA

Board Member Breceda declared a potential conflict of interest and left the Council Chambers at 11:10 p.m.

DIRECTOR SIMPSON

Director Simpson presented the staff report.

BOARD ATTORNEY GUERRA

Board Attorney Guerra advised that the Resolution would make clear that the transfer is subject to two requirements: that HCD approves the designation of property as exempt surplus land and authorizes the transfer, and that the Planning Commission deems the transfer of the property consistent with the General Plan.

BOARD MEMBER GARCIA

Board Member Garcia asked whether a certain number of housing must be developed at the site, to which Director Simpson advised that the high-density residential units would be developed, but that there is no specific number of units identified yet.

RESOLUTION NO. HA 2021-02-101 ADOPTED

Resolution No. HA 2021-02-101, entitled:

"A RESOLUTION OF THE BOARD OF THE IRWINDALE HOUSING AUTHORITY ACCEPTING THE TRANSFER OF REAL PROPERTY LOCATED AT 5100 ALLEN DRIVE, THE 10-ACRE PARCEL ON THE EAST SIDE OF ALLEN DRIVE, IN THE CITY OF IRWINDALE (APN #8417-034-912) FROM THE CITY OF IRWINDALE TO THE IRWINDALE HOUSING AUTHORITY," was passed, approved, and adopted, on the motion of Board Member Ambriz, seconded by Board Member Garcia, and unanimously approved; Board Member Breceda absent.

ITEM NO. 2B
AMENDMENT OF LAS CASITAS GUIDELINES TO REVISE TENANT SELECTION PROCESS

AMENDMENT OF LAS CASITAS GUIDELINES TO REVISE TENANT SELECTION PROCESS

Not discussed due to the late night hour.

ITEM NO. 2C
QUITCLAIM DEED - 2425 RUELAS ST., IRWINDALE, CA 91010

QUITCLAIM DEED TO TERMINATE AFFORDABLE HOUSING AGREEMENT, OPTION TO PURCHASE AND DECLARATION OF COVENANTS RUNNING WITH LAND, AND SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE – 2425 RUELAS STREET, IRWINDALE, CA 91010

Not discussed due to the late night hour.

ITEM NO. 2D
MAYANS HOUSING PURCHASE PROGRAM – AWARD FOR 704 A STREET

MAYANS HOUSING PURCHASE PROGRAM – AWARD FOR 704 A STREET

Not discussed due to the late night hour.

ITEM NO. 2E
MAYANS HOUSING PURCHASE PROGRAM -

MAYANS HOUSING PURCHASE PROGRAM – APPROVAL OF AMENDMENT NO. 2 TO IRWINDALE HOUSING AUTHORITY GUIDELINES, POLICIES, AND PROCEDURES FOR THE MAYANS

AMENDMENT NO. 2	HOUSING PURCHASE PROGRAM
	Not discussed due to the late night hour.
ITEM NO. 2F FY 2021 – 2022 BUDGET WORKSHOP #2	FY 2021 – 2022 BUDGET WORKSHOP #2 (Joint Item – City Council & Reclamation Authority)
DIRECTOR CARREON	Director Carreon made a PowerPoint presentation detailing the General Fund Budget Summary, and invited Chief Henshaw to discuss his personnel budget requests.
CHIEF HENSHAW	Chief Henshaw discussed his request to unfreeze a Police Captain position, add two police officer positions, one part-time Community Services Officer, and freeze three of five Reserve Officer part-time positions.
CARMEN ROMAN	Carmen Roman spoke against hiring a Captain.
DENA ZEPEDA	Dena Zepeda suggested that officers' pay be "updated" and supported hiring two officers.
SUZANNE GOMEZ	Suzanne Gomez spoke on past financial hardships the city has endured and about the need to budget prudently.
DISCUSSION HELD	Discussion was held relating to current overtime costs, the proposed duties for the additional Community Services Officer, plans for park patrol, the issuance of parking citations, that the proposed Captain position would not replace the Lieutenant position, potentially hiring a full-time Community Services Officer instead of part-time, the administrative functions that the Sergeants would be able to focus on, that the hiring of a Captain would allow for a proper succession plan, the required qualifications for the Captain position, potentially hiring residents for the Police Officer or Community Services Officer positions, and overtime spending mitigation.
MOTION	A motion was made by Board Member Ambriz to hire two Police Officers and one part-time Community Services Officer, and freeze three of the five Reserve PT Officer positions.
CARMEN ROMAN	Carmen Roman spoke against hiring a Captain and suggested hiring two Police Officers.
ROLL CALL	The above-mentioned motion was seconded by Chair Ortiz. Roll call results were as follows:
	Board Member Ambriz in favor of his motion as stated.

Board Member Breceda in favor of the motion, with his support of the Captain position.
Board Member Garcia in favor of the motion, but abstaining on the Captain position.
Vice Chair Burrola in favor of the motion, but voting against hiring two additional Police Officers and the Community Services Officer.
Chair Ortiz in favor of the motion as stated.

EXECUTIVE DIRECTOR TAM — Executive Director Tam presented the Administration's Department proposal to reclassify the Economic Development Coordinator to Assistant to the City Manager.

ASSISTANT EXECUTIVE DIRECTOR OLIVARES — Assistant Executive Director presented the Administration Department's proposal to add a Management Analyst position and change the contractual tutors to part-time employees per Assembly Bill AB 5.

DENA ZEPEDA — Dena Zepeda spoke in support of changing the contractual tutors to part-time employees, but spoke against hiring a Management Analyst and reclassifying the current Economic Development Coordinator position.

CARMEN ROMAN — Carmen Roman supported the changes to the tutor positions, and opposed the remaining reclassification requests in the Administration Department.

MOTION — A motion was made by Board Member Breceda to approve the reclassification of the Economic Development Coordinator to Assistant to the City Manager, add a Management Analyst position, and change the contractual Tutors to part-time employees per Assembly Bill AB 5.

DISCUSSION HELD — Discussion was held relating to the funding sources for the Management Analyst position and the costs of the contract with Gonsalves & Sons.

ROLL CALL — The above-mentioned motion was seconded by Board Member Garcia. Roll call results were as follows:

Board Members Ambriz, Breceda, and Garcia were in favor; Vice Chair Burrola and Chair Ortiz in favor of all except the Management Analyst position.

MOTION — A motion was made by Board Member Breceda, seconded by Board Member Garcia, to revise the distribution for a reduced Joe A. Gonsalves contract, approve professional portraits for members of the City Council and City Commissions, and for the purchase of computers / tablets for members of the City Council and City Commissions.

DISCUSSION HELD	Discussion was held relating to the services provided as well as the costs associated with the contract with Gonsalves & Sons.
ROLL CALL	The above-mentioned motion was approved with all members voting in favor; Vice Chair Burrola voting against the request relating to the contract with Joe A. Gonsalvez.
DIRECTOR CARREON	Director Carreon presented the Finance Department's personnel budget requests.
DENA ZEPEDA	Dena Zepeda spoke in favor of reclassifying the Finance Analyst position to Senior Finance Analyst, but opposed reclassifying the Finance Intern to Accountant.
CARMEN ROMAN	Carmen Roman complained about the Finance Department's requests.
MOTION	A motion was made by Board Member Ambriz, seconded by Board Member Breceda, to approve the reclassifications of Finance Analyst to Senior Finance Analyst, and Finance Intern to a new Accountant position.
DISCUSSION HELD	Discussion was held relating to the Finance Analyst's pay scale and education, and the pay scale for the proposed Accountant position, including benefits.
ROLLA CALL	The above-mentioned motion was unanimously approved.
DIRECTOR SIMPSON	Director Simpson presented the Community Development Department's personnel budget requests.
DENA ZEPEDA	Dena Zepeda wondered whether the request would somehow translate to additional benefits for residents.
MOTION	A motion was made by Board Member Ambriz, seconded by Vice Chair Burrola, to approve the unfreezing of the Associate Planner position.
DISCUSSION HELD	Discussion was held relating to the duties of the proposed Associate Planner, and that staff is desirous of hiring the most qualified individual for the position.
ROLL CALL	The above-mentioned motion was unanimously approved.
RECESS	At 8:33 p.m., the Housing Authority Board took a short recess.
RECONVENE	At 8:44 p.m., the Housing Authority Board reconvened with all members present.

DIRECTOR HANNA — Director Hanna presented the Public Works / Engineering proposed personnel budget requests.

MOTION — A motion was made by Board Member Ambriz, seconded by Board Member Brecedà, to approve the reclassification of Assistant Engineer to Assistant City Engineer, and to hire a new Engineering Technician. The motion was unanimously approved.

DIRECTOR RODRIGUEZ — Director Rodriguez presented the Public Services personnel budget requests.

TERESA ORTIZ — Teresa Ortiz thanked Director Rodriguez for the presentation and expressed support for the requested personnel changes.

DENA ZEPEDA — Dena Zepeda spoke in support of compensating employees appropriately and approving the Public Services Department's personnel requests.

DISCUSSION HELD — Discussion was held relating to the savings realized by having existing staff perform specialized work, rather than hiring tradesmen such as electricians, irrigation workers, and pool operators.

MOTION — A motion was made by Board Member Breceda to approve the reclassification of four permanent part-time Maintenance Aides to full time, and reclassify the Janitor to Maintenance Aide.

ADDITIONAL DISCUSSION HELD — Additional discussion was held relating to benefits and work hours for part-time workers, training for the workers, and cost savings for the department.

ROLL CALL — The above-mentioned motion was seconded by Board Member Garcia. Roll call results were as follows:

Board Members Breceda and Garcia voted in favor, Vice Chair Burrola opposed, and Board Member Ambriz and Chair Ortiz voted in favor of reclassifying the four permanent part-time Maintenance Aides to full time, but against reclassifying the Janitor to Maintenance Aide.

DIRECTOR RODRIGUEZ — Director Rodriguez presented the department's operating budget requests. She noted that the request for the purchase of a used bus can be rescinded.

DENA ZEPEDA — Dena Zepeda asked whether children could be provided free bus rides.

TERESA ORTIZ — Teresa Ortiz thanked Director Rodriguez for the presentation and expressed support for the requested operating budget requests.

MOTION	A motion was made by Board Member Ambriz to approve the operating budget requests made by the Public Services Department, with the exception of the purchase of a used bus. Board Member Ambriz also mentioned that he would bring up the request to provide free bus passes to the Irwindale Community Foundation for consideration.
BOARD MEMBER BRECEDA	Board Member Breceda seconded Board Member Ambriz's motion.
DISCUSSION HELD	Discussion was held relating to the availability of existing vehicles for staff, and the availability of electric vehicles.
ROLL CALL	The above-mentioned motion was unanimously approved at roll call.
DIRECTOR RODRIGUEZ	Director Rodriguez then presented the personnel request for the Recreation Department.
DENA ZEPEDA	Dena Zepeda spoke against hiring a new Senior Recreation Leader.
DISCUSSION HELD	Discussion was held relating to potentially hiring residents to fill positions at the Recreation Department.
MOTION	A motion was made by Board Member Breceda, seconded by Board Member Garcia, to approve the request for one additional Senior Recreation Leader, a permanent part-time position.
ADDITIONAL DISCUSSION HELD	Additional discussion was held relating to funding for the position, and the need to spend funding prudently.
TERESA ORTIZ	Teresa Ortiz thanked Director Rodriguez for the presentation and expressed support for the requested personnel request.
ROLL CALL	The above-mentioned motion was denied, with Board Members Breceda and Garcia in favor; Board Member Ambriz, Vice Chair Burrola, and Chair Ortiz opposed.
DIRECTOR RODRIGUEZ	Director Rodriguez then presented the operating budget requests for the Recreation and Senior Center Departments.
DENA ZEPEDA	Dena Zepeda asked if residents would be able to purchase the exercise equipment that would be replaced, and expressed support for the request of a new computer system at the Senior Center.
DISCUSSION HELD	Discussion was held relating to the proposed purchase of a new Tahoe, whether a large vehicle would be more appropriate, how the existing Excursion is being used, whether another Gator is necessary, and the need to replace the aging exercise equipment.

MOTION	A motion was made by Board Member Breceda to approve all of the operating budget requests for the Recreation and Senior Center Departments.
ADDITIONAL DISCUSSION HELD	Additional discussion was held relating to the mileage of the existing Excursion, whether the purchase of another Gator is appropriate, staff's request to implement a new skateboarding class, the type of exercise equipment that is being proposed for purchase and whether they would be ADA compliant, the type of questions that would be asked using the proposed ePACT software, the current Recreation computer system, and possibly adding a variety of music to the proposed Mariachi Fest.
ROLL CALL	The above mentioned motion was seconded by Board Member Garcia. Roll call results were as follows: Board Member Ambriz in favor, excluding the purchase of the Gator and the Tahoe. Board Member Breceda and Garcia in favor. Vice Chair Burrola in favor, excluding the purchase of the Gator. Chair Ortiz in favor, excluding the purchase of the Gator and requesting a variety of music at the Mariachi Fest.
DIRECTOR CARREON	Director Carreon continued her presentation showing the revised FY 2021 – 2022 expenditure budget.
RECESS	At 10:21 p.m., the Housing Authority Board took a short recess.
RECONVENE	At 10:27 p.m., the Housing Authority Board reconvened with all members present.
DIRECTOR CARREON	Director Carreon continued her presentation and discussed "Special One-Time Budget Requests for Long-Term City Financial Benefits & Capital Project Requests".
VICE CHAIR BURROLA	Responding to a question by Vice Chair Burrola, Director Carreon discussed the projected performance of the proposed California Employers Pension Prefunding Trust ("CEPPT").
MOTION	A motion was made by Board Member Ambriz, seconded by Board Member Breceda, to approve staff's special one-time budget requests, consisting of the following: 1) pay-off of the PERS Loan to the Reclamation Fund, 2) eliminate the remaining Reclamation Cap Annual Transfer, and 3) startup advance for the new CalPERS Trust – CEPPT. The motion was unanimously approved.
DIRECTOR CARREON	Director Carreon continued her presentation detailing staff's Capital Project Requests consisting of: 1) Irwindale Park Phase 4 and 5, 2)

Recreation/Library Building improvements, and 3) Project for Our Lady of Guadalupe Mission.

VICE CHAIR BURROLA — In reply to a question by Vice Chair Burrola, Director Carreon elaborated on future General Fund revenue.

MOTION — A motion was made by Board Member Breceda, seconded by Board Member Ambriz, to approve staff's Capital Project funding requests. The motion was unanimously approved.

PUBLIC HEARINGS — None.

FUTURE AGENDA ITEMS REQUESTED BY BOARD MEMBERS — None.

ADJOURNMENT — There being no further business to conduct, the meeting was adjourned at 11:33 p.m.

_____
Laura M. Nieto, MMC
Chief Assistant Authority Secretary

HA Item 1A2

IRWINDALE CITY COUNCIL CHAMBERS
5050 N. IRWINDALE AVENUE
IRWINDALE, CALIFORNIA 91706

JUNE 9, 2021
WEDNESDAY
7:52 P.M.

The Irwindale **HOUSING AUTHORITY** met in regular session at the above time and place.

ROLL CALL:

Present: Board Members Albert F. Ambriz, Mark A. Breceda, Manuel R. Garcia; Vice Chair Larry G. Burrola; Chair H. Manuel Ortiz

Also present: William Tam, Executive Director; Adrian Guerra, Board Attorney; Theresa Olivares, Assistant Executive Director; Ty Henshaw, Police Chief; Arsanious Hanna, City Engineer; Eva Carreon, Director of Finance; Marilyn Simpson, Community Development Director; Mary Hull, Human Resources Manager, Elizabeth Rodriguez, Public Services Director; Jeff Wagner, Information Technology Manager; Iris Espino, Economic Development Coordinator; and Laura Nieto, Chief Assistant Authority Secretary

SPONTANEOUS COMMUNICATIONS

There were no speakers.

CONSENT CALENDAR

MOTION

A motion was made by Board Member Breceda, seconded by Board Member Garcia, to approve Consent Calendar, reading resolutions and ordinances by title only and waiving further reading thereof. The motion was unanimously approved.

ITEM NO. 1A
MINUTES

MINUTES

The following minutes were approved:

1) Regular meeting held May 12, 2021

ITEM NO. 1B
INVESTMENT POLICY REVIEW AND DELEGATION OF INVESTMENT AUTHORITY

INVESTMENT POLICY REVIEW AND DELEGATION OF INVESTMENT AUTHORITY (Joint Item on City Council, Successor Agency, Housing Authority, and Reclamation Authority agendas)

RESOLUTION NO. HA 2021-04-103 ADOPTED

Resolution No. HA 2021-04-103, entitled

"A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRWINDALE, SUCCESSOR AGENCY BOARD, HOUSING AUTHORITY BOARD AND RECLAMATION AUTHORITY BOARD RATIFYING THE CITY OF IRWINDALE INVESTMENT POLICY, AND DELEGATING AUTHORITY TO THE CITY TREASURER TO INVEST THE SURPLUS FUNDS OF THE CITY OF IRWINDALE, IRWINDALE SUCCESSOR AGENCY, IRWINDALE HOUSING

AUTHORITY, AND IRWINDALE RECLAMATION AUTHORITY, was passed, approved,

END OF CONSENT CALENDAR

NEW BUSINESS None.

PUBLIC HEARINGS

ITEM NO. 3A
ADOPTION OF FISCAL YEAR 2021 - 2022 BUDGETS AND ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021-2022

ADOPTION OF FISCAL YEAR 2021-2022 BUDGETS AND ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021-2022

DIRECTOR CARREON — Director Carreon presented the staff report.

VICE CHAIR BURROLA — Vice Chair Burrola thanked staff for the report and encouraged the Housing Authority to approve the Our Lady of Guadalupe Church project and suggested that military flags be installed at the Veterans Monument.

CHAIR ORTIZ — Responding to a question by Chair Ortiz, Director Carreon spoke on Director Rodriguez's presentation wherein she detailed the scheduling difficulties experienced when attempting to schedule part-time employees, which led to staff's recommendation to hire a Permanent Part Time employee whose schedule would better accommodate staffing needs.

Chair Ortiz also asked about the proposed expenditures, which Director Carreon detailed. Chair Ortiz also asked about offsetting the deficit, to which Director Carreon advised that this budget, once adopted, would be covered through the city's financial reserves, and noted that the report explains that reserve funds would be reduced to 26.9 million by the end of June 30, 2022 if everything remains the same.

VICE CHAIR BURROLA — Vice Chair Burrola requested a report on the amount of part-time employees working at the Recreation Department as well as the related costs, to which Executive Director Tam advised that staff is working on preparing a report to present to the Council at the next meeting.

OPEN PUBLIC HEARING — At 7:20 p.m., Chair Ortiz opened the public hearing.

CLOSE PUBLIC HEARING

There being no speakers, Chair Ortiz closed the public hearing at 7:21 p.m.

MOTION

A motion was made by Board Member Ambriz, seconded by Board Member Breceda to:

RESOLUTION NO. HA 2021-03-102 ADOPTED

Adopt **Resolution No. HA 2021-03-102**, entitled:

"A RESOLUTION OF THE IRWINDALE HOUSING AUTHORITY ADOPTING THE BUDGET FOR FISCAL YEAR 2021-2022." The motion was unanimously approved.

PUBLIC HEARINGS

None.

FUTURE AGENDA ITEMS REQUESTED BY BOARD MEMBERS

VICE CHAIR BURROLA

Vice Chair Burrola asked if the proposed homeowners for the new housing units on Ambriz Street could visit their homes since they are ready to begin furnishing them, to which Executive Director Tam advised that staff will reach out to the proposed homeowners to make the necessary arrangements.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 7:55 p.m.

_____
Laura M. Nieto, MMC
Chief Assistant Authority Secretary

HA Item 2A

☐City Council
☐Successor Agency
☒Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Chair and Members of the Housing Authority

From: William K. Tam, Executive Director

Issue: Equity Sharing Policy

Executive Director's Recommendation:

Approve Equity Sharing Policy for Substantial Rehabilitation and First Time Homebuyer programs.

Prepared and Submitted by:

Robert J. Lee, Assistant Authority Counsel — Electronically Approved

Reviewed by:

Adrian Guerra, Authority Counsel — Electronically Approved

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, Executive Director

BACKGROUND:

Historically, the equity sharing practices of the Irwindale Housing Authority ("Authority") provided for the Authority to retain a significant majority of the excess sale proceeds until year 40 of the 45-year affordable housing period which, when compared against several other affordable housing programs within the State, was within the highest end of the spectrum. Accordingly, it was very difficult for affordable homeowners in the City of Irwindale to build meaningful equity in their affordable homes towards improving their financial status which is one of the paramount objectives of affordable housing programs, including the Authority's programs, throughout the State.

On June 3, 2021, the Authority Board approved a concept for modified equity sharing ratios under both the Substantial Rehabilitation Program ("SRP") and First Time Homebuyer Program ("FTHP") so that the percentage of the equity sharing appreciation amount ("ESAA") retained by homeowners is now much larger than the amount allowed previously. The ESAA is the difference between the sale price that is in excess of the affordable housing price of what is allowable under the Authority's Regulatory Agreement entered into with each affordable homeowner and the original purchase price of the home paid by the affordable homeowner. The Board also directed Authority Counsel to prepare a formal policy for approval, consistent with the Board's action of June 3, 2021. The attached Equity Sharing Policy has been prepared to implement such action.

The highlights of the Equity Sharing Policy for both the SRP and FTHP are provided below.

Substantial Rehabilitation Program:

For the SRP, the Authority loan will be forgiven by 1/20 on an annual basis for 20 years after which time the entire loan will be forgiven. During that 20-year period, the equity sharing ratio ("ESR") will be 10%, meaning the Authority will retain 10% of the ESAA and the homeowner will retain 90% of the ESAA; thereafter, until expiration of the 45-year period, the 10% ESR will decrease by 0.4% per annum.

First Time Homebuyer Program:

For the FTHP, the Authority loan will be forgiven by 1/30 on an annual basis for 30 years after which time the entire loan will be forgiven. During that 30-year period, the ESR will be 15%, meaning the Authority will retain 15% of the ESAA and the homeowner will retain 85% of the ESAA; thereafter, until expiration of the 45-year period, the 15% ESR will decrease by 1% per annum.

It should be noted that the Equity Sharing Policy, once adopted, will become effective immediately upon Board approval. However, any homeowner seeking to avail himself or herself of the policy would need to formally amend his/her Regulatory Agreement in accordance with the new policy.

FISCAL IMPACT:

Unknown at this time.

ATTACHMENT:

Equity Sharing Policy

EQUITY SHARING POLICY

(SUBSTANTIAL REHABILITATION PROGRAM)

(FIRST TIME HOMEBUYER PROGRAM)

Adopted June 23, 2021

Section 33334.3 of the Health and Safety Code permits equity sharing programs to be established allowing sale of owner-occupied units prior to expiration of the 45-year affordability period established through a Regulatory Agreement entered into between an agency and affordable homeowner for a price in excess of the affordable housing price, so long as the agency's investment of moneys from the Low and Moderate Income Housing Fund is protected, including through implementation of a schedule of equity sharing that permits seller and the agency to retain a portion of sale proceeds based on length of occupancy prior to sale. This means that so long as the agency's loan or any current balance of the loan is paid back (including any interest), the agency's investment of moneys from the Low and Moderate Income Housing Fund is protected. Any excess monies collected from the sale retained by the agency are to be deposited in the Low and Moderate Income Housing Fund.

Historically, the equity sharing practices of the Irwindale Housing Authority ("Authority") provided for the Authority to retain a significant majority of the excess sale proceeds until year 40 of the 45-year affordable housing period which, when compared against several other affordable housing programs within the State, was within the highest end of the spectrum. Accordingly, it was very difficult for affordable homeowners in the City of Irwindale to build meaningful equity in their affordable homes towards improving their financial status which is one of the paramount objectives of affordable housing programs, including the Authority's programs, throughout the State.

The Authority Board has now adopted and established equity sharing ratios under both the Substantial Rehabilitation Program ("SRP") and First Time Homebuyer Program ("FTHP") so that the percentage of the equity sharing appreciation amount ("ESAA") retained by homeowners is now much larger than the amount allowed previously. For purposes of this Equity Sharing Policy, ESAA is the difference between the sale price that is in excess of the affordable housing price of what is allowable under the Regulatory Agreement and the original purchase price of the home paid by the affordable homeowner.

Substantial Rehabilitation Program Equity Sharing Ratio:

For the SRP, the Authority loan will be forgiven by 1/20 on an annual basis for 20 years after which time the entire loan will be forgiven. During that 20-year period, the equity sharing ratio ("ESR") will be 10%, meaning the Authority will retain 10% of the ESAA and the homeowner will retain 90% of the ESAA; thereafter, until expiration of the 45-year period, the 10% ESR will decrease by 0.4% per annum.

First Time Homebuyer Program Equity Sharing Ratio:

For the FTHP, the Authority loan will be forgiven by 1/30 on an annual basis for 30 years after which time the entire loan will be forgiven. During that 30-year period, the ESR will be 15%, meaning the Authority will retain 15% of the ESAA and the homeowner will retain 85% of the ESAA; thereafter, until expiration of the 45-year period, the 15% ESR will decrease by 1% per annum.

Examples of how the foregoing operates follow below. An overarching assumption in the examples is that the loan term for the Authority loan will be 20 years under the SRP and 30 years for the FTHP, the latter being an attempt to align with the typical private 30-year loan obtained by homeowners in a standard purchase of a home.

Assumption for Example 1:

SRP (for sales within first 20 years) and FTHP (for sales within first 30 years):

- $500,000 (sale price) – $400,000 (original purchase price) = $100,000 (ESAA).

Assumption for Example 2:

SRP (for sales after first 20 years) and FTHP (for sales after first 30 years):

- $600,000 (sale price) – $400,000 (original purchase price) = $200,000 (ESAA).

Substantial Rehabilitation Program Examples:

Loan Details:

- Loan period to be 20 years.
- Principal on the loan to be reduced by 5% (1/20) per annum during the 20-year period.
- The entire loan is forgiven after 20 years.

Equity Sharing Details:

- For the first 20 years of the loan, the ESR to be retained by the Authority is 10% of the ESAA.
- For years 21 through 45, the ESR will decrease by 0.4% per annum starting in year 21 until year 45 is reached.

Example 1:

- Assume ESAA of $100,000 and sale during year 5 of 45-year term. Under this assumption:
    - The homeowner would need to repay the remaining balance of the Authority loan; and

- After applying a 10% ESR to the $100,000 ESAA, the amount of sale proceeds retained by the Authority will be $10,000 and the homeowner retains the remaining $90,000.

Example 2:

- Assume ESAA of $200,000 and sale just after year 25 of 45-year term. Under this assumption:
  - The Authority loan has been forgiven after 20 years. Therefore, the homeowner is not required to repay any portion of the loan.
  - After applying a 8% ESR (10% is reduced by 0.4% per year for 5 years resulting in an ESR of 8%) to the $200,000 ESAA, the amount of sale proceeds retained by the Authority is $16,000 and the homeowner retains the remaining $184,000.

First Time Homebuyer Program Examples:

Loan Details:

- Loan period to be 30 years.
- Principal on the loan to be reduced by 1/30 per annum during the 30-year period.
- The entire loan is forgiven after 30 years.

Equity Sharing Details:

- For the first 30 years of the loan, the ESR to be retained by the Authority is 15% of the ESAA.

- For years 31 through 45, the ESR will decrease by 1% per annum starting in year 31 until year 45 is reached.

Example 1:

- Assume ESAA of $100,000 and sale during year 5 of 45-year term. Under this assumption:
  - The homeowner would need to repay the remaining balance of the Authority loan; and
  - After applying a 15% ESR to the $100,000 ESAA, the amount of sale proceeds retained by the Authority will be $15,000 and the homeowner retains the remaining $85,000.

Example 2:

- Assume ESAA of $200,000 and sale just after year 35 of 45-year term. Under this assumption:
  - The Authority loan has been forgiven after 30 years. Therefore, the homeowner is not required to repay any portion of the loan.

- After applying a 10% ESR (15% is reduced by 1% per year for 5 years resulting in an ESR of 10%) to the $200,000 ESAA, the amount of sale proceeds retained by the Authority is $20,000 and the homeowner retains the remaining $180,000.

HA Item 2B

☐City Council
☐Successor Agency
☒Housing Authority
☐Reclamation Authority
☐Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 23, 2021

To: Honorable Chair and Members of the Housing Authority

From: William K. Tam, Executive Director

Issue: Possible Removal of Moderate Income Units from Las Casitas Senior Housing Program

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Executive Director's Recommendation:

Provide direction to staff regarding possible removal of moderate income units from Las Casitas Senior Housing Program.

Prepared and Submitted by:

Robert J. Lee, Assistant Authority Counsel — Electronically Approved

Reviewed by:

Adrian Guerra, Authority Counsel — Electronically Approved

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, Executive Director

BACKGROUND:

At a recent meeting, the Irwindale Housing Authority ("Authority") Board directed staff to explore the possible removal of the moderate income category from the Las Casitas senior low/moderate income housing apartment rental program. The Disposition and Development Agreement ("DDA"), Regulatory Agreement ("RA"), and program Guidelines ("Guidelines") currently provide that five (5) units will be made available to moderate income senior households (to be accurate, the RA and Guidelines provide that "up to" five units be made available).

The DDA requires compliance with the Guidelines and also authorizes the Guidelines to be amended from time to time so long as written notice is given to developer of any amendments containing substantive changes.

In the DDA, Section VIII, subsection A, regarding Compliance with Authority's Las Casitas Housing Guidelines, states:

> [i]n addition to the provisions of this Agreement and the Lease/Regulatory Agreement, Developer agrees to abide by the Authority's duly-adopted Las Casitas Housing Guidelines (Guidelines) as such Guidelines may be amended by the Authority from time to time. A true and correct copy of the Guidelines as in effect as of the Effective Date of this Agreement are attached hereto as Exhibit "K". The Authority shall notify Developer in writing of any proposed, substantive amendments to the Guidelines (emphasis added).

The Guidelines state in relevant part:

> pertaining to the number of units allocated among the income categories, the Authority reserves the right to reallocate the final number of units specified for each income category, if deemed necessary and appropriate, to meet the quantified needs of Irwindale Seniors (emphasis added).

From review of the foregoing, it could appear the DDA and Guidelines allow the Guidelines to be amended to remove moderate income units from the program without also amending the DDA. However, without language in the DDA that allows amendment of the Guidelines even if the Guidelines are in conflict with the DDA, the proper interpretation of the DDA provision that allows the Guidelines to be amended is that the Guidelines may be amended so long as they are not inconsistent with the DDA. The DDA contains several provisions making it clear that the agreement requires at least some moderate income units, including in Section 702, which provides that five (5) moderate income units are required to be developed; and it does not contain language that the Guidelines may be amended even if the amendment conflicts with the DDA. In all likelihood, therefore, the Guidelines are allowed to be amended without amending the DDA so long as the number of moderate income units does not get reduced to zero (0). Accordingly, if the Guidelines were to be amended from five (5) to zero (0) moderate income units, the DDA and the RA would likely need to be amended as well.

The above notwithstanding, an argument could be made that reallocation of the moderate income units from five (5) to zero (0), from a technical standpoint, is in fact permitted under the DDA as the DDA language is not entirely clear in this regard. This interpretation of the DDA and Guidelines is not completely unreasonable, and the determination of whether the DDA and RA would need to be amended could turn on an assessment of the risks associated with eliminating moderate income units under the Guidelines without also amending the DDA and RA. For example, perhaps input from developer could be helpful in this regard since there may not be any objections to amending the Guidelines without also amending the DDA and RA, especially given that the RA and Guidelines actually require "up to" five (5) moderate income units which of course could mean zero (0) units are required.

FISCAL IMPACT:

Unknown at this time.

ATTACHMENT:

Disposition and Development Agreement (with attached Regulatory Agreement and Guidelines)

502-NO

DISPOSITION AND DEVELOPMENT AGREEMENT
for
LAS CASITAS PHASE II

Between and Among

THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY,
a public body, corporate and politic

and

THE IRWINDALE HOUSING AUTHORITY,
a public body, corporate and politic

and

THE NORTHRIDGE GROUP, INC.
a California corporation

cc: Housing Coordinator
City Attorney
Finance

04-13-11

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DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT ("**Agreement**") is entered into as of the date executed by the Agency, between and among the IRWINDALE COMMUNITY REDEVELOPMENT AGENCY, a public body, corporate and politic ("**Agency**"), the IRWINDALE HOUSING AUTHORITY, a public body, corporate and politic ("**Authority**"), and THE NORTHRIDGE GROUP INC., a California corporation ("**Developer**"). The parties agree as follows:

I. (§100) PURPOSE OF THE AGREEMENT

A. (§101) Purpose of the Agreement.

Pursuant to the Community Redevelopment Law ("**CRL**") of the State of California, Health and Safety Code Sections 33000 *et seq.*, the Agency was activated by the City Council of the City of Irwindale ("**City**") in January of 1973 and established itself as the Agency Board ("**Board**") and appointed the City Manager to serve as the Executive Director. Since its inception, the Agency's policy in the formation of redevelopment project areas has consistently focused on (i) areas with obvious blighting characteristics and conditions, and (ii) the satisfaction of affordable and senior housing requirements through specific projects and goals. Since 1973, the Agency and the City Council have approved and adopted Redevelopment Plans for three (3) redevelopment project areas (the "**Project Areas**"), excluding amendments to existing areas, in accordance with the CRL.

On March 26, 1996, the City Council and the Agency adopted Resolution No. 96-13-1468 and Resolution No. CR(I) 96-307 jointly determining that the use of Low- and Moderate-Income Housing Fund monies for the development of affordable housing outside the Project Areas but within the City limits will ultimately benefit one or all Project Areas.

This Agreement and the Attachments hereto are intended to effectuate the Agency's redevelopment goals by increasing the City's affordable, senior housing stock. Specifically, this Agreement implements the *expansion* of the City's existing senior affordable apartment complex commonly known as "**Las Casitas**" (which currently consists of 15 affordable units, plus a manager's unit) into a total of 26 residential rental units that, with the exception of one unrestricted manager's unit, will be restricted to rents affordable to extremely low, very low, low and moderate income senior households for the next 55 years (the "**Project**"). Las Casitas is a senior housing project that is located on Ayon Street across from the Irwindale Senior Center. Even though the Project is located outside of any Project Areas, the Project will benefit the Project Areas by directly satisfying the Agency's goals of fulfilling affordable and senior housing needs. The Project, and the fulfillment generally of this Agreement, are in the vital and best interests of the City and the welfare of its residents, and in accordance with the public purposes and provisions of applicable federal, state and local laws and requirements.

B. (§102) **Description of the Site.**

The "Las Casitas" senior housing Project consists of two separate parcels:

a. The parcel underlying the first phase of the Las Casitas project is located at 5164 Ayon Street, Irwindale, California, bearing Los Angeles County APN #8417-029-919 ("**Parcel I**"), which Parcel I is legally described and depicted in Exhibit "A" hereto. Parcel I consists of approximately .77 acres.

b. The parcel underlying the second phase of the Las Casitas project is located directly adjacent to Parcel I at 16140 Arrow Highway, Irwindale, California, bearing Los Angeles County APN #8417-029-917 ("**Parcel II**"), which Parcel II is legally described and depicted in Exhibit "B" hereto. Parcel II consists of approximately .21 acres.

Parcel I and Parcel II are collectively referred to as the "**Site**" in this Agreement. A legal description for the total Site shall be available after the Authority has completed a Parcel Merger (through a lot line adjustment) as described in Section 501 of this Agreement.

C. (§103) **Description of the Project & Its Phases.**

Physical Project development shall occur in two phases:

a. The first phase was completed in 1996 and consisted of the construction and operation fifteen (15) low income senior apartment units plus one (1) unrestricted Manager's Unit on Parcel I ("**Phase I**").

b. The second phase of development, which has not commenced and is the subject of this Agreement, will consist of the construction and operation ten (10) low income senior apartment units on Parcel II ("**Phase II**"). The ten Phase II apartment units will be developed, designed and landscaped in such as manner as to be harmoniously incorporated with the existing sixteen Phase I units, such that Project completion will result in the unified development of the whole Site as a 26-unit "Las Casitas" senior apartment complex.

A further description of the Phase I rehabilitation and Phase II construction, and an estimate of the costs therefore, are presented in the Scope of Work, Schedule of Performance and Project Budget attached hereto as Exhibit "C". Conceptual Site Plans for the completed Project are presented in Exhibit "D" hereto. As shown in the Project Budget in Exhibit "D", Developer's total costs for Phase I rehabilitation and Phase II construction are estimated to be One Million, Seven-Hundred and Eighty-Seven Thousand, Five Hundred Dollars ($1,787,500.00) ("**Estimated Project Costs**").

It has been necessary to develop the Site in two separate phases because Parcel I and Parcel II have been under separate ownership since 1996. This fact has historically prevented assemblage of the two parcels into one Site and resulted in disjointed or inconsistent land uses as between Parcel I and Parcel II:

a. Phase I / Parcel I: The Authority has been the fee owner of Parcel I since 1995. On May 1, 1995, the Authority entered into a lease with Developer (the "**Old Lease**"). The Old Lease required Developer to construct the sixteen Phase I units as low income senior apartment units, which construction was completed in 1996. Under the Old Lease, Developer was designated as the acting manager and operator of the Phase I apartment units for a period of thirty (30) years. The Old Lease also required all Phase I units to remain restricted to low income, senior only residents for a period of thirty (30) years (the "**30-Year Restrictions**"). A true and correct copy of the Old Lease is on-file with the Agency secretary. To date, Developer manages the 16 Phase I units pursuant to the Old Lease. The Old Lease and its 30-Year Restrictions upon Phase I are set to expire in 2026.

b. Phase II / Parcel II: The Agency is currently the fee owner of Parcel II. Although the Agency purchased Parcel II by grant deed on June 13, 1985, the Agency took fee title subject to a life estate held by the property's residential occupant, Myra Garcia. When the life estate terminated in 2009, the Agency's full rights, title and interest in Parcel II vested. Parcel II is currently improved with one single family home.

D. (§104) Description of the Transaction.

This Agreement contemplates that the Project will be developed by joining Phase II to the Phase I development such that the Site is fully assembled and developed in a uniform manner with a total of 26 residential rental units available at affordable rents to extremely low, very low, low and moderate income senior households for the next 55 years. In order to achieve such assemblage and uniform development, several transactions are contemplated:

a. The Agency will transfer fee title to Parcel II to the Authority such that the whole Site is under the unified fee ownership of Authority. Fee title to Parcel II will be conveyed to the Authority commensurate with the Effective Date of this Agreement, or shortly thereafter, and pursuant to that Quitclaim Deed attached hereto as Exhibit "E".

b. The Authority will process and complete a merger of Parcel I and Parcel II through a lot line adjustment pursuant to Chapter 16.22 of the Irwindale Municipal Code (the "**Parcel Merger**"). The Agency and Authority estimate, without making any assurances, that the Parcel Merger will be completed within forty-five (45) days after the recordation of the Quitclaim Deed vesting fee title to Parcel II with the Authority.

c. Within five (5) business days after completion of the Parcel Merger, the Authority will make the Site available to Developer by a new lease and regulatory agreement that will (i) terminate the Old Lease, and (ii) require Developer to construct Phase II in its entirety, and (iii) establish Developer as the manager and operator of the Site, and (iv) require Developer to maintain the Site as a residential apartment complex available for affordable rents to extremely low, very low, low and moderate income senior households for the period of 55 years (the "**Lease/Regulatory Agreement**"). The Lease/Regulatory Agreement will be executed in a form substantially similar to that attached hereto as Exhibit "F". The Lease/Regulatory Agreement establishes covenants running with the land and providing for the

proper maintenance of the Site and resale restrictions guaranteeing that the Project will be preserved as residential rental units available for rents affordable to extremely low, very low, low and moderate income senior households for the period of 55 years (the "**55-Year Affordability Period**"). The 55-Year Affordability Period shall commence upon the later of either (i) December 1, 2011, or (ii) the opening of Phase II units as available for rent.

d. Within twenty (20) days after the Effective Date of this Agreement, the Authority shall pay to Developer the amount of Two-Hundred Thousand Dollars ($200,000) representing the Developer's Profits from the Phase I development that have to date been held by the Authority (the "**Prepayment**").

e. Throughout Project construction, the Authority shall pay for Developer's Estimated Project Costs in an amount not-to-exceed One Million, Seven-Hundred and Eighty-Seven Thousand, Five Hundred Dollars ($1,787,500.00) ("**Project Contribution**"). Payment of the Project Contribution shall be disbursed to Developer commensurate with Project progress.

f. In addition to the Project Contribution, the Authority is willing to make a available to Developer an additional One Hundred Ten Thousand Dollars ($110,000) ("**Adjunct Contribution**") in consideration for the Developer's acceptance of, and agreement to, the construction or implementation of certain improvements and services, respectively, identified in Exhibit "G" hereto. Adjunct Contribution funds will be paid to Developer as Developer incurs the actual costs of installing/providing the improvements and services listed in Exhibit "G".

g. In consideration for the Authority's payment of the Project Contribution, the Agency will provide Developer with a minimum, guaranteed rental income for the next 55 years ("**Guaranteed Rent**"). The table and financial data at Exhibit "H" hereto shows the amount of Guaranteed Rent, Total Revenues, Expenses and Net Operating Income of the Project throughout the 55-Year Affordability Period. The Guaranteed Rent starts, in Calendar Year One, at $500 per unit and escalates each year thereafter by $2.5%. On a monthly, per-unit basis, the Authority will pay the Developer for any rental rate *shortfalls* below the Guaranteed Rent ("**Rent Subsidy**"). On a monthly, per-unit basis, the Developer will pay the Authority for any rent received *in excess* of the Guaranteed Rent (the "**Rent Refund**"). The Rent Subsidy and Rent Refund system is described in greater detail in Section 708 hereof.

E. (§ 105) Agency Assistance.

This Agreement does not provide for any sharing of sales tax or tax increment generated by the Project between Developer, Authority, Agency and/or City as the Project and Site are located outside of any Redevelopment Project Areas.

However, subject to and conditioned upon Developer's satisfaction and continued compliance with the provisions of this Agreement and the Lease/Regulatory Agreement, the Agency agrees to provide Developer with certain assistance related to the Project. Assistance by the Authority consists of the following:

(i) The Authority's payment of Rent Subsidy to Developer pursuant to Section 708 hereof, and

(ii) A rent reduction in favor of Developer in that the rental amount to be paid by Developer for the Site ($1) is less than the fair market rental value of the Site, as described more fully in the "Summary Report" prepared by Agency and approved by City pursuant to Section 33433 of the Community Redevelopment Law, and

(iii) The Authority's payment of the Project Contribution to Developer's Estimated Project Costs in an amount not-to-exceed One Million, Seven-Hundred and Eighty-Seven Thousand, Five Hundred Dollars ($1,787,500.00), and

(iv) Payment of the Prepayment, and

(v) Payment of the Adjunct Contribution.

Agency Assistance shall be paid from the Agency's "20% Set-Aside" housing funds held pursuant to Health & Safety Code § 33334.2 (which shall be loaned to the Authority for purposes of this Agreement).

As a result of the Agency's/Authority's provision of items (i) through (v) listed above, Developer fully accepts the risk that construction or development of the Site may qualify as a "public work" "paid for in whole or in part out of public funds," as described in California Labor Code Section 1720 *et seq.*, ("**Prevailing Wage Law**"), such that it would cause Developer to be required to pay prevailing wages for any aspect of the development. Developer hereby represents and warrants that the Project is not subject to Prevailing Wage Laws because the Project relates to the provision of affordable housing; further, Developer warrants that no other funding sources for the Project will trigger the application of Prevailing Wage Laws. Notwithstanding the foregoing, the Developer fully bears any and all risk that Prevailing Wage Laws may be found to apply to the Project. To this end, Developer acknowledges and agrees that should any third party, including but not limited to the Director of the Department of Industrial Relations ("**DIR**"), require Developer or any of its contractors or subcontractors to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the DIR under Prevailing Wage Law for all or any of the assistance provided hereunder, then Developer shall indemnify, defend, and hold Agency harmless from any such determinations, or actions (whether legal, equitable, or administrative in nature) or other proceedings, and shall assume all obligations and liabilities for the payment of such wages and for compliance with the provisions of the Prevailing Wage Law. The Agency/Authority make no representation that any construction completed by Developer is or is not subject to Prevailing Wage Law.

Except as specifically set forth in this Agreement, Developer shall be responsible for paying all fees and charges typically required by the City, Authority or Agency for similar development projects. Except as set forth herein, Developer shall be responsible for all construction and development costs to construct the Project on the Site, including: grading and

site preparation; building construction; site development and infrastructure; design; building permit and development fees; and financing, Site management and maintenance, and enforcement of income restrictions applicable to Restricted Units.

F. (§ 106) No Speculation.

Agency, Authority and Developer each understand and acknowledge that the purposes of (i) this Agreement, and (ii) the conveyance of Parcel II to the Authority, and (iii) the conveyance of the Site to Developer through the Lease/Regulatory Agreement, are the acquisition and development of affordable housing on the Site, including land assembly and the design, processing, financing and construction necessary to complete the Project on the Site. This Agreement and the land conveyances hereof are not undertaken to facilitate speculation or excess profit taking in the Site within the meaning of California Health and Safety Code §33437.5 as that section exists on the date of this Agreement or as it may thereafter be amended, repealed and reenacted, or otherwise modified.

II. (§200) DEFINITIONS.

The following terms as used in this Agreement shall have the meanings given unless expressly provided to the contrary:

A. (§201) Adjunct Contribution.

The term "Adjunct Contribution" shall mean that One Hundred Ten Thousand Dollars ($110,000) made by Authority to Developer in consideration for the Developer's acceptance of, and agreement to, the construction or implementation of certain improvements and services, respectively, identified in Exhibit "G" hereto. Adjunct Contribution funds will be paid to Developer as Developer incurs the actual costs of installing/providing the improvements and services listed in Exhibit "G".

B. (§202) Affordable or Affordable Rent.

The terms "affordable" or "affordable rent" shall have the meaning prescribed in Health and Safety Code Section 50053(b) and the regulations promulgated pursuant to or incorporated therein, including, without limitation, any applicable regulations promulgated pursuant to Health and Safety Code Section 50093.

C. (§203) Agency Assistance.

The term "Agency Assistance" shall mean, collectively, all monetary assistance to be paid by the Agency and/or Authority to Developer pursuant to this Agreement as generally described in Section 105 as items (i) through (v).

D. (§ 204) **Agreement.**

The term "Agreement" shall mean this entire Disposition and Development Agreement, including all attached exhibits, which exhibits are a part hereof and incorporated herein in their entirety, and all other documents incorporated herein by reference.

E. (§205) **City.**

The term "City" shall mean the City of Irwindale, a municipal corporation.

F. (§ 206) **Commencement of Tenancy.**

The term "Commencement of Tenancy" shall mean the effective date of the Developer's tenancy and commencement of possessory rights over and upon the Site pursuant to the Lease/Regulatory Agreement at Exhibit "F".

G. (§207) **Days.**

The term "days" shall mean calendar days and the statement of any time period herein shall be calendar days, and not working days, unless otherwise specified.

H. (§208) **Deed.**

The term "Deed" or "Quitclaim Deed" shall mean that Quitclaim Deed in substantially the form attached hereto as "Exhibit E" by which Agency as Grantor will convey fee title to the Site to Authority as Grantee.

I. (§209) **Effective Date.**

The "Effective Date" of this Agreement shall occur after public hearing and approval hereof by the Agency and Authority, and shall mean the date this Agreement is executed on behalf of Agency and Authority.

J. (§210) **Enforced Delay.**

The term "Enforced Delay" shall mean any delay described in Section 1003 caused without fault and beyond the reasonable control of a party, which delay shall justify an extension of time to perform as provided in Section 1003.

K. (§ 211) **Extremely Low.**

The term "extremely low" shall refer to a household whose annual household income does not exceed thirty percent (30%) of the area median income for Los Angeles County, adjusted for applicable household size, as computed in accordance with the Community Redevelopment Law and the regulations promulgated pursuant thereto or incorporated therein,

including, without limitation, all regulations promulgated pursuant to Health and Safety Code § 50093, or any successor statute.

L. (§ 212) Guaranteed Rent.

The term "Guaranteed Rent" shall mean the warranty that the Authority will provide Developer with a minimum, guaranteed rental income for the 55-Year Affordability Period. The table and financial data at Exhibit "H" hereto shows the amount of Guaranteed Rent, Total Revenues, Expenses and Net Operating Income of the Project throughout the 55-Year Affordability Period. The Guaranteed Rent starts, in Calendar Year One, at $500 per unit and escalates each year thereafter by $2.5%.

M. (§ 213) Lease/Regulatory Agreement.

The term "Lease/Regulatory Agreement" shall mean the lease of a tenancy on, over and across the Site to be granted from Authority to Developer, along with covenants, conditions and restrictions imposing affordable rent restrictions, maintenance requirements and other use restrictions running for the term of the 55-Year Affordability Period. The Lease/Regulatory Agreement is in the form attached hereto as Exhibit "F".

N. (§214) Low Income Household.

The terms "low income" or "low income household" shall mean a household whose annual household income does not exceed sixty percent (60%) of area median income for Los Angeles County, adjusted for applicable household size, as computed in accordance with the Community Redevelopment Law and the regulations promulgated pursuant thereto or incorporated therein, including, without limitation, all regulations promulgated pursuant to Health and Safety Code § 50093, or any successor statute.

O. (§215) Manager's Unit.

The term "Manager's Unit" shall mean the one (1) unit on the Site that shall be designated by Developer as a residence for a "Qualified Manager." The Manager's Unit shall not be an income-restricted unit.

P. (§ 216) Moderate Income Household.

The terms "moderate income" or "moderate income household" shall mean a household whose annual household income does not exceed one hundred ten percent (110%) of area median income for Los Angeles County, adjusted for applicable household size, as computed in accordance with the Community Redevelopment Law and the regulations promulgated pursuant thereto or incorporated therein, including, without limitation, all regulations promulgated pursuant to Health and Safety Code § 50093, or any successor statute.

Q. (§ 217) **Old Lease.**

The term "Old Lease" shall mean that lease the Authority entered into with Developer for Developer's affordable housing uses upon Parcel I on May 1, 1995. A copy of the Old Lease is on-file with the Agency secretary.

R. (§ 218) **Parcel I.**

The term "Parcel I" shall mean approximately .77 acres located at 5164 Ayon Street, Irwindale, California, bearing Los Angeles County APN #8417-029-919, which Parcel I is legally described and depicted in Exhibit "A" hereto.

S. (§ 219) **Parcel II.**

The term "Parcel II" shall mean approximately .21 acres located at 16140 Arrow Highway, Irwindale, California, bearing Los Angeles County APN #8417-029-917 which Parcel II is legally described and depicted in Exhibit "B" hereto.

T. (§ 220) **Phase I.**

The term "Phase I" shall mean the development upon Parcel I that was completed in 1996 and consisted of the construction and operation of sixteen (16) low/moderate income senior apartment units.

U. (§ 221) **Phase II.**

The term "Phase II" shall mean the development to be performed upon Parcel II, which has not commenced, and will consist of the construction and operation of ten (10) low/moderate income senior apartment units on Parcel II.

V. (§ 222) **Prepayment.**

The term "Prepayment" shall mean that payment to be made by the Authority to Developer within twenty (20) days after the Effective Date hereon in the amount of Two-Hundred Thousand Dollars ($200,000) representing the Developer's Profits from the Phase I development that have to date been held by the Authority.

W. (§223) **Project.**

The term "Project" shall mean all of the improvements required to be constructed by Developer on the Site pursuant to this Agreement, including, but not limited to, construction and rehabilitation of buildings, glass and concrete work, landscaping, construction of parking areas, and related improvements. The overall Project consists of the rehabilitation of sixteen (16) apartments on Parcel I, new construction of ten (10) apartments upon Parcel II, and is more particularly described in the Scope of Work, Schedule of Performance and Project Budget attached hereto as Exhibit "C", the Concept Plans at Exhibit "D", and as described in Section

103 hereof. Upon completion, the Project will be a residential apartment complex with a total of (26) units for rent to extremely low, very low, low and moderate income households with one (1) unit restricted for rent to a Qualified Manager. The term "Project" shall further include the process to issue permits to entitle the development, the construction of new units on Parcel II and rehabilitation of Parcel I units and their appurtenant improvements; the operation of the Site as an income-restricted rental housing complex affordable to extremely low, very low, low and moderate income residents; and the negotiation of, and carrying out of, this Agreement and the related Lease/Regulatory Agreement.

X. (§224) Project Contribution.

The term "Project Contribution" shall mean that portion of the Agency Assistance representing the Authority's direct monetary contribution towards Developer's Estimated Project Costs in an amount not-to-exceed One Million, Seven-Hundred and Eighty-Seven Thousand, Five Hundred Dollars ($1,787,500.00).

Y. (§225) Qualified Manager.

The term "Qualified Manager" shall mean the resident Project manager selected and retained by Developer pursuant to the Lease/Regulatory Agreement. The Qualified Manager shall reside in the "Manager's Unit" designated by Developer. The Manager's Unit shall be restricted to occupancy by the Qualified Manager and his/her household, but shall not be subject to any income restrictions.

Z. (§226) Qualified Tenant.

The term "Qualified Tenant" shall mean those households seeking to rent a Restricted Unit who satisfy all of the following requirements:

a. Upon execution of a lease with Developer, each member of the household will occupy the Restricted Unit as its principal residence, and each member intends to thereafter continuously occupy such Restricted Unit as its principal residence.

b. Upon execution of a lease with Developer, the household is an extremely low, low or very low, or moderate income household.

c. The household has been selected in accordance with the tenant selection criteria set forth in the Lease/Regulatory Agreement.

d. At least one person in residence in each Senior Unit must be a Senior Citizen, and other residents in the same Senior Unit who are not Senior Citizens must be Qualified Permanent Residents, as defined in California Civil Code Section 51.3(b).

AA. (§ 227) Reserve Fund.

The term "Reserve Fund" shall mean that separately-held, non-comingled account to be established by the Developer and held solely for the purposes of Project maintenance, refurbishment, cleaning, etc. The Developer shall place at least $9,000 into the Reserve Fund each year. This amount is reflected in the Financial Analysis attached hereto as Exhibit "H" (the Reserve Fund is denominated as the "Replacement Reserves" in the Financial Analysis).

BB. (§ 228) Redevelopment Plan.

The term "Redevelopment Plan" shall mean the Redevelopment Plan for the Redevelopment Project Area in the City of Irwindale, as adopted by Ordinance No. 272 of the City Council on January 10, 1974, and as such Redevelopment Plan has been amended from time to time. Agency hereby warrants and represents that the Redevelopment Plan was validly adopted and is in full force and effect, that the applicable limitations period for challenging the validity of the Redevelopment Plan has expired and that the proposed Project is in accordance with and permissible under the Redevelopment Plan. A copy of the Redevelopment Plan is on file in the office of the City Clerk of the City, located at 5050 North Irwindale Avenue, Irwindale, CA 91706. The Redevelopment Plan is incorporated herein by reference and made a part hereof as though fully set forth herein.

CC. (§229) Redevelopment Project Areas.

The term "Redevelopment Project Area" shall mean the three (3) redevelopment project areas that have been adopted and amended by the Agency since 1973 and are located in the City of Irwindale, California. The exact boundaries of the Redevelopment Project Area are specifically described in the Redevelopment Plan.

DD. (§230) Rent Refund.

The term "Rent Refund" shall refer to the requirement that, on a monthly, per-unit basis, the Developer will pay the Authority for any rent received *in excess* of the Guaranteed Rent (the "Rent Refund"). The Rent Refund system is described in greater detail in Section 708 hereof.

EE. (§231) Rent Subsidy.

The term "Rent Subsidy" shall refer to the requirement that, on a monthly, per-unit basis, the Authority will pay the Developer for any rental rate *shortfalls* below the Guaranteed Rent. The Rent Subsidy is described in greater detail in Section 708 hereof.

FF. (§232) Restricted Unit.

The term "Restricted Unit" shall mean and refer to one of the units in the Project which are restricted to occupancy by the Lease/Regulatory Agreement to an extremely low, low, very low or moderate income household at an affordable rent. "Restricted Units" shall mean and refer collectively to each and every Restricted Unit located on the Site.

GG. (§233) Senior Citizen.

The terms "senior" or "senior citizen" shall mean a person sixty-two (62) years of age or older, as defined in California Civil Code Section 51.3(b).

HH. (§ 234) Senior Unit.

The term "senior unit" shall mean a Restricted Unit that is specially designed for and restricted to occupancy by Senior Citizens and Qualified Permanent Residents.

II. (§235) Site and Site Map.

The Project shall be located upon that real property, consisting of both Parcel I and Parcel II, located in the City of Irwindale, hereinafter referred to as the "Site". The legal description for the total Site shall be available after the Authority has completed a Parcel Merger (through a lot line adjustment) as described in Section 501 of this Agreement.

JJ. (§236) Very Low Income Household.

The terms "very low" or "very low income household" shall mean a household whose annual household income does not exceed fifty percent (50%) of area median income for Los Angeles County, adjusted for applicable household size, as computed in accordance with the Community Redevelopment Law and the regulations promulgated pursuant thereto or incorporated therein, including, without limitation, all regulations promulgated pursuant to Health and Safety Code Section 50093, or any successor statute.

KK. (§237) 55-Year Affordability Period.

The term "55-Year Affordability Period" shall mean the length of time (i.e., 55 years) for which Developer must hold the Restricted Units at an affordable rent under the terms of the Lease/Regulatory Agreement.

III. (§300) PARTIES TO THE AGREEMENT

A. (§301) Agency and Authority.

1. **Identification.** Agency is a public body, corporate and politic, exercising governmental functions and powers, organized and existing under the CRL (Health and Safety Code Section 33000, et seq.). The office of Agency is located at 5050 North Irwindale Avenue, Irwindale, CA 91706. The term "Agency," as used in this Agreement, includes the Irwindale Redevelopment Agency and any assignee of, or successor to, its rights, powers and responsibilities.

Authority is a housing authority exercising governmental functions and powers, organized and existing under the Housing Authority Law of the State of California (Health and Safety Code Section 34200, et seq.) The office of Authority is located at 5050 North Irwindale

Avenue, Irwindale, CA 91706. The term "Authority," as used in this Agreement, includes the Irwindale Housing Authority and any assignee of, or successor to, its rights, powers and responsibilities.

2. **Agency/Authority Representations.** Agency and Authority hereby jointly represent the following to Developer for the purpose of inducing Developer to enter into this Agreement and to consummate the transactions contemplated hereby, all of which shall be true as of the date hereof and shall survive the conveyance of the Site and the Lease/Regulatory Agreement to Developer:

a. The Redevelopment Plan has been duly adopted in compliance with all applicable laws and is currently in full force and effect.

b. The Agency and Authority have the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein to which the Agency or Authority are a Party, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform their obligations hereunder.

c. All requisite action has been taken by the Agency or Authority and all requisite consents have been obtained in connection with Agency and Authority entering into this Agreement and the instruments and documents referenced herein to which the Agency or Authority is a Party, and the consummation of the transaction contemplated hereby, and the same are authorized by the Redevelopment Plan and, to the best knowledge of Agency/Authority, comply with all applicable laws, statutes, ordinances, rules and governmental regulations. There are no writs, injunctions, orders or decrees of any court or governmental body that would be violated by the Agency's/Authority's entering into or performing its obligations under this Agreement.

d. The uses of the Site as contemplated by this Agreement, the Lease/ Regulatory Agreement, and any regulatory permits, are authorized by the Redevelopment Plan.

B. (§302) Developer.

1. **Identification.** Developer is The Northridge Group, Inc., a California corporation, or its permitted transferee as described in Section 303.3. The principal office of Developer for the purposes of this Agreement is located at 798 Pine Knot Ave., PO Box 134401, Big Bear Lake, California 92315-8807. Developer warrants and represents to Agency that Developer will be qualified to do business in good standing under the laws of the State of California and has all requisite power and authority to carry out Developer's business as now and whenever conducted and to enter into and perform Developer's obligations under this Agreement.

2. **Successors and Assigns.** Except as may be expressly provided hereinbelow, all of the terms, covenants and conditions of this Agreement shall be binding on, and shall inure to the benefit of, Developer and the permitted successors, assigns and nominees

of Developer as to each portion of the Site. Wherever the term "Developer" is used herein, such term shall include any permitted successors and assigns of Developer as herein provided.

3. **Qualifications.** The qualifications and identity of Developer are of particular concern to the Agency and Authority, and it is because of such qualifications and identity that Agency and Authority have entered into this Agreement with Developer. The Agency and Authority have considered the experience, financial capability, and product being marketed by Developer, the Site location and characteristics, the public costs of acquiring and developing the Site and return on investment, and the product mix necessary to produce a Project. Based upon these considerations, the Agency and Authority impose those restrictions on transfer set forth in this Agreement.

4. **Developer Representations.** Developer hereby represents the following to Agency and Authority for the purpose of inducing Agency/Authority to enter into this Agreement and to consummate the transactions contemplated hereby, all of which shall be true as of the date hereof and shall survive the conveyance of the Site and the Lease/Regulatory Agreement:

a. Developer has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform its obligations hereunder. Developer is qualified to do business in good standing under the laws of the State of California and has all requisite power and authority to carry out Developer's business as now and whenever conducted and to enter into and perform Developer's obligations under this Agreement.

b. All requisite action has been taken by Developer, including, but not limited to, approval by any of Developer's committees, boards, or other such authorities as may be needed for the leasing and development of real property, and all requisite consents have been obtained by Developer in connection with entering into this Agreement and the instruments and documents referenced herein, and the consummation of the transactions contemplated hereby.

c. To the best knowledge of Developer, the execution, delivery and performance by Developer of this Agreement will not violate any provision of law, any order of any court or other agency of government, or any indenture, agreement or other instrument to which Developer is a party or by which Developer or any of its properties is bound.

d. This Agreement is, and all agreements, instruments and documents to be executed by Developer pursuant to this Agreement shall be, duly executed by and are, or shall be, valid and legally binding upon Developer and enforceable in accordance with their respective terms and the execution and delivery thereof shall not, with due notice or the passage of time, constitute a default under or violate the terms of any indenture, agreement or other instrument to which Developer is a party.

e. Reasonable and good faith inquiry has determined that there is no pending or threatened litigation which would prevent Developer from performing its duties and obligations hereunder.

C. (§303) **Restrictions on Transfer.**

1. **Transfer Defined.** As used in this section, the term "**Transfer**" shall include any assignment, sublease, hypothecation, mortgage, pledge, conveyance, or encumbrance of this Agreement, the Site, or the improvements thereon. A Transfer shall also include the transfer to any person or group of persons acting in concert of more than twenty-five percent (25%) of the present ownership and/or control of Developer in the aggregate, taking all transfers into account on a cumulative basis, except transfers of such ownership or control interest between members of the same immediate family, or transfers to a trust, testamentary or otherwise, in which the beneficiaries are limited to members of the transferor's immediate family. In the event Developer or its successor is a corporation or trust, such transfer shall refer to the transfer of the issued and outstanding capital stock of Developer, or of beneficial interests of such trust; in the event that Developer is a limited or general partnership, such transfer shall refer to the transfer of more than twenty-five percent (25%) of the limited or general partnership interest; in the event that Developer is a joint venture, such transfer shall refer to the transfer of more than twenty-five percent (25%) of the ownership and/or control of any such joint venture partner, taking all transfers into account on a cumulative basis.

2. **Restrictions.** Developer shall not Transfer this Agreement or any of Developer's rights hereunder, or any rights under the Lease/Regulatory Agreement, or any interest in the Site or in the improvements thereon, directly or indirectly, voluntarily or by operation of law, except as provided below, without the prior written approval of Agency and Authority, and if so purported to be Transferred, the same shall be null and void. In considering whether they will grant approval to any Transfer by Developer of its interest in the Site before the termination or expiration of the Lease/Regulatory Agreement, which Transfer requires Agency/Authority approval, Agency and Authority shall consider factors such as (i) whether the completion or implementation of the Project is jeopardized; (ii) the financial strength and capability of the proposed assignee to perform Developer's obligations hereunder; and (iii) the proposed assignee's experience and expertise in the planning, financing, development, ownership, and operation of similar projects.

In the absence of specific written agreement by Agency and Authority, prior to the termination or expiration of the Lease/Regulatory Agreement no Transfer by Developer of all or any portion of its interest in the Site, the Agency Assistance or this Agreement (including without limitation an assignment or transfer not requiring Agency/Authority approval hereunder) shall be deemed to relieve it or any successor party from any obligations under this Agreement with respect to the completion of the development of the Project with respect to that portion of interests which are so transferred. In addition, no attempted assignment of any of Developer's obligations hereunder shall be effective unless and until the successor party executes and delivers to Agency and Authority an assumption agreement in a form approved by the Agency/Authority assuming such obligations. Following any such assignment or Transfer of any of the rights and

interests of Developer under this Agreement, the exercise, use and enjoyment shall continue to be subject to the terms of this Agreement to the same extent as if the assignee or transferee were Developer. Agency's, Authority's or City's consent to a Transfer shall not be deemed to release Developer of liability for performance under this Agreement unless such release is specific and in writing executed by Agency, Authority or City, as appropriate. Upon the written consent of Agency/Authority/City to the Transfer of this Agreement and the express written assumption of the assigned obligations of Developer under this Agreement by the assignee, Developer shall be relieved of its legal duty from the assigned obligations under this Agreement, except to the extent Developer is in default under the terms of this Agreement prior to said Transfer.

3. **Exceptions**. The foregoing prohibition shall not apply to any of the following:

a. The granting of easements to any appropriate governmental agency or utility or permits to facilitate the development of the Site.

b. A sale or transfer resulting from or in connection with a reorganization as contemplated by the provisions of the Internal Revenue Code of 1986, as amended or otherwise, in which the ownership interests of a corporation are assigned directly or by operation of law to a person or persons, firm or corporation which acquires the control of the voting capital stock of such corporation or all or substantially all of the assets of such corporation.

c. A sale or transfer of 49% or more of ownership or control interest between members of the same immediate family, or transfers to a trust, testamentary or otherwise, in which the beneficiaries consist solely of immediate family members of the Trustor or transfers to a corporation or partnership in which the immediate family members or shareholders of the transferor have a controlling majority interest of 51% or more.

d. A sale or transfer of an interest in the Developer by Developer to an entity controlled by Developer.

e. The conveyance of leases to Qualified Tenants and/or the Qualified Manager as contemplated in this Agreement and the Lease/Regulatory Agreement.

4. **Restrictions After Project Completion**. It is hereby acknowledged by Developer and Agency that the Site will be leased to the Developer by the Authority at below market rent. Therefore, subsequent to the completion of actual Project construction, except as set forth in Section 303.3 above, Developer may not sell, Transfer, convey, hypothecate, assign or lease all or any portion of its interest in the Site without complying with any transfer restrictions contained within the Lease/Regulatory Agreement, as applicable.

5. **Costs of Transfers.** Developer will pay Agency, Authority or City, as appropriate, their reasonable expenses for attorneys' fees and investigation costs necessary to

investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any Transfer.

6. **Agency/Authority/City Assignments**. It is expressly agreed that Agency and Authority shall have the unrestricted right to sell or assign their respective rights under this Agreement either to each other or to the City of Irwindale, or to any public or quasi-public entity, or any other agency or body that is controlled by the City without notice to or approval of Developer. If the Developer's interest and estate in and to the Site is sold or assigned by the Agency or Authority, the Agency/Authority, as applicable, shall be entirely freed, relieved, and discharged of all covenants, agreements, and obligations under this Agreement, except those occurring prior to the date of such transfer or assignment by Agency or Authority. Developer shall in the event of sale or assignment of Agency's or Authority's interest in the Site, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage or deed of trust made by Agency or Authority covering the Site, attorn to the purchaser and recognize such purchaser as the Agency's/Authority's successor party under this Agreement and City's successor under any other agreement, if applicable.

IV. (§400) DISPOSITION OF PARCEL II TO AUTHORITY.

A. (§ 401) Conveyance of Parcel II to Authority.

Conveyance of Parcel II to the Authority shall be made in consideration of Authority's payment of one dollar ($1) to Agency.

Commensurate with the Effective Date of this Agreement, but subject the satisfaction of the Conditions Precedent stated in Section 402, the Agency shall deposit with the Authority an Agency-executed original of that Quitclaim Deed attached hereto as Exhibit "E"; said conveyance shall be made without any escrow holder or period. Upon satisfaction of the Conditions Precedent stated in Section 402, the Authority shall promptly record the Quitclaim Deed with the Los Angeles County Recorder. Conveyance of Parcel II fee title all possessory rights thereto shall vest with the Authority upon recordation of the Quitclaim Deed.

B. (§ 402) Conditions Precedent to Conveyance of Parcel II Fee Title.

1. **Authority's Conditions to Parcel II Acquisition**. Authority's acquisition of Parcel II from the Agency hereunder shall, in addition to any other conditions set forth herein in favor of Authority, be conditional and contingent upon the satisfaction (or waiver by Developer), in its sole and absolute discretion, of each and all of the following conditions (collectively the "**Authority's Conditions to Closing**"):

a. Title shall be conveyed in a good condition approved by Authority subject only to: (i) the Redevelopment Plan, this Agreement, the other Agreements to the extent applicable, and the Deed; (ii) current taxes, a lien not yet payable; (iii) quasi-public utility, public alley and public street easements of record; and (iv) CC&Rs and other encumbrances and title

exceptions approved by Authority. Authority shall not accept fee title to Parcel II unless and until it is satisfied, in its reasonable discretion, with the condition of Parcel II title.

b. As of the recordation of the Quitclaim Deed, a Title Policy in the amount of the fair market value of Parcel II (or such other amount as may be reasonably accepted by the Authority) shall be in place with such endorsements as may be reasonably required by Authority.

c. Agency shall have deposited the Quitclaim Deed with the Authority.

d. Authority shall have approved, accepted or waived the environmental and physical condition of Parcel II and have accepted Parcel II free and clear of any tenants rights of possession of any other persons or entities.

e. Agency shall have deposited with the Authority a certificate of non-foreign status ("FIRPTA Certificate") in such form as may be required by the Internal Revenue Service pursuant to Section 1445 of the Internal Revenue Code.

Any waiver of the foregoing conditions must be expressly agreed-upon in writing by both Authority and Agency. In the event that Agency fails to satisfy Authority's foregoing conditions or defaults in the performance of its obligations hereunder, all parties to this Agreement shall meet to negotiate in good faith an alternative or remedial action towards the end of completing the Agency's conveyance of Parcel II's fee title to the Authority.

2. **Agency's Conditions to Conveyance of Parcel II.** The Agency's obligation to deliver fee title to Parcel II to Authority and close Escrow hereunder shall, in addition to any other conditions set forth herein, be conditional and contingent upon the satisfaction (or waiver by Agency), of each and all of the following conditions (collectively the "**Agency's Conditions to Closing**"):

a. Agency's assurances that it shall convey the Site to Authority and Authority shall acquire the Site from Agency, upon the terms and conditions hereinafter set forth in the Lease/Regulatory Agreement.

b. Developer shall not have made a transfer in violation of Section 303 hereof.

c. Authority shall have approved the Lease/Regulatory Agreement as to form and shall be prepared to have same recorded against the Site.

Any waiver of the foregoing conditions must be expressly agreed-upon in writing by both Authority and Agency. In the event that Authority fails to satisfy Agency's foregoing conditions or defaults in the performance of its obligations hereunder, all parties to this Agreement shall meet to negotiate in good faith an alternative or remedial action towards the end of completing the Agency's conveyance of Parcel II's fee title to the Authority.

V. (§ 500) AUTHORITY'S DISPOSITION OF SITE TO DEVELOPER BY THE LEASE/REGULATORY AGREEMENT.

A. (§ 501) Site Assembly.

Upon recordation of the Quitclaim Deed vesting fee title to Parcel II with the Authority, Authority agrees that it shall immediately commence the process for completing the Parcel Merger pursuant to Chapter 16.22 of the Irwindale Municipal Code. Once commenced, the Authority will diligently proceed with its efforts to complete the Parcel Merger without unreasonable delay or disruption. The Agency and Authority estimate, without making any assurances, that the Parcel Merger will be completed within forty-five (45) days after the recordation of the Quitclaim Deed vesting fee title to Parcel II with the Authority.

B. (§ 502) Feasibility Period Before Effective Date of Lease.

Upon the Effective Date of this Agreement, the Agency and Authority, as appropriate to the entity then owning fee title to Parcel II, hereby grants Developer a license(s) for right-of-entry on, over and across Parcel II for the purposes of determining whether (i) the physical condition of Parcel II (e.g., environmental, geotechnical analyses) is suitable for Developer's intended use, (ii) all title and survey matters are acceptable, and (iii) Developer will be able to obtain all necessary approvals, permits and/or consents Developer determines is necessary for the Project (the **"Feasibility Period"**). The Feasibility Period shall end at the earlier of either (i) such time that Developer enters into the Lease/Regulatory Agreement as provided in Section 503 hereof, or (ii) the running of the Lease Acceptance Deadline, as defined below. Developer's execution of the Lease/Regulatory Agreement shall constitute Developer's approval of Parcel II's condition pursuant to any investigations conducted under this Section.

Any investigations of Parcel II undertaken pursuant to this Section shall be conducted in a good and professional manner that does not unreasonably interfere with any governmental operations, the quiet enjoyment of surrounding City citizens or the condition of Parcel II. Developer shall indemnify, defend and hold Agency and Authority harmless from and against any claims, injuries, or damages arising out of any such entry or activity undertaken pursuant to the authority of this Section to the same extent as provided in Sections 504 and 608 below. Moreover, any activity by Developer pursuant to this Section shall only be undertaken after Developer has secured all necessary permits from the appropriate governmental agencies.

C. (§ 503) Authority's Disposition of the Site by the Lease/Regulatory Agreement To Developer.

Not later than five (5) days after completion of the Parcel Merger, the Authority shall make available to Developer two copies of the Lease/Regulatory Agreement, which copies shall have been signed by the Authority and prepared for Developer's acceptance and execution (which delivery is hereinafter referred to as the **"Offer of Tenancy"**).

1. **Acceptance of Tenancy & Regulatory Covenants.** If Developer is satisfied with the Site's condition pursuant to its investigations during the Feasibility Period, Developer shall sign the Lease/Regulatory Agreement, thereby acquiring an immediate leasehold interest on, over and across the Site upon the terms and conditions set forth in the Lease/Regulatory Agreement. Developer may not accept the Lease/Regulatory Agreement without also accepting all regulatory conditions set forth therein. As of the date Developer signs the Lease/Regulatory Agreement, Developer's leasehold possessory rights over the Site shall take effect and this Agreement shall remain in full force and effect such that the parties shall have all of the rights and obligations set forth herein and in the Lease/Regulatory Agreement ("**Commencement of Tenancy**"). Upon Commencement of Tenancy the Developer shall deliver one original signed Lease/Regulatory Agreement to the Authority. The Authority shall record the Lease/Regulatory Agreement upon the Site within ten (10) days after Commencement of Tenancy.

2. **Terms of Lease/Regulatory Agreement Incorporated Herein.** Upon the Commencement of Tenancy, Developer shall have an immediate right of possession to the Site and Developer may enter the Site for Project construction subject to the terms of this Agreement and the Lease/Regulatory Agreement. Project completion shall result in all 26 Site units (other than the Manager's Unit) being occupied and maintained as rental units covenanted for occupancy by low income, extremely low income, very low and moderate income senior citizens (as such terms are herein defined to create a "senior citizen housing development" as defined in California Civil Code § 51.11(b)(4)) and shall be available to low income, extremely low income and very low income households. The Lease/Regulatory Agreement also contains the following principal provisions:

a. Execution of the Lease/Regulatory Agreement effectively terminates the Old Lease, and

b. Developer shall construct Phase II in its entirety and, with the exception of any Prepayment, Project Contribution and/or Adjunct Contribution funds provided hereunder, at its sole cost and expense, and

c. Developer shall act as the manager and operator of the Site with the duty to maintain the Site as a residential apartment complex available for affordable rent to extremely low, very low. low and moderate income senior households for the period of 55 years commencing from the later of either (i) December 1, 2011, or (ii) the opening of Phase II units as available for rent to Qualified Residents; and

d. That Authority's lease of the Site to Developer is made in an "AS-IS" condition and that neither Agency nor Authority shall be responsible for any Hazardous Materials (as defined hereinafter) on the Site.

e. That Developer fully accepts the condition of the Site and its suitability for the Project and agrees to release, hold harmless and indemnify the Agency and Authority from any environmental, physical, geologic or other conditions of the Site.

f. That Developer shall maintain and operate the Site in conformance with the provisions of the Lease/Regulatory Agreement.

All provisions of the Lease/Regulatory Agreement shall be automatically incorporated by reference into the terms and conditions of this Agreement.

3. **Rejection of Offer of Tenancy.** If Developer refuses to execute the Lease/Regulatory Agreement after more than thirty (30) days after the Offer of Tenancy by the Authority (the "**Lease Acceptance Deadline**"), then all obligations between the Authority, the Agency and Developer shall cease and no party shall have any further rights or obligations in or to another.

D. (§504) Site Taken "As-Is" On Commencement of Tenancy; Hazardous Materials.

1. **Disclaimer of Warranties.** Upon Developer's acceptance of the Site following the Feasibility Period and Commencement of Tenancy, Developer's occupation or possession of the Site shall be taken without further warranty of the Site's physical or environmental condition. The Feasibility Period set forth in Section 502 is Developer's sole recourse with respect to the Site's physical, geological and environmental condition and, accordingly, Developer's election to enter into the Lease/Regulatory Agreement shall not give rise to any further warranties or guaranties regarding the Site's physical or environmental condition or its suitability for Developer's uses. Developer's lease of the Site on and after the Commencement of Tenancy is therefore made on a strictly "AS-IS" basis. From and after Developer's acceptance of occupancy over the Site after the Feasibility Period, Developer shall be solely responsible for any defects in the Site, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of the Site, and the existence of any contamination, Hazardous Materials, vaults, debris, pipelines, or other structures located on, under or about the Site; neither Agency nor Authority make any other representation or warranty concerning the physical, environmental, geotechnical or other condition of the Site, the suitability of the Site for the Project, or the present use of the Site, and Agency and Authority specifically disclaim all representations or warranties of any nature concerning the Site made by them, the City and their respective employees, agents and representatives except as otherwise provided in this Agreement, the Lease/Regulatory Agreement. The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, soil, subsoil, existence of Hazardous Materials or similar substances, the purpose for which the Site is suited, or drainage. Agency and Authority make no representations or warranties concerning the compaction of soil upon the Site, nor of the suitability of the soil for construction.

2. **Hazardous Materials.** Developer understands and agrees that in the event Developer incurs any loss or liability concerning Hazardous Materials (as hereinafter defined) and/or oil wells and/or underground storage tanks and/or pipelines whether attributable to events occurring prior to or following the Commencement of Tenancy, then Developer may look to prior owners or occupants of the Site or other responsible parties, but under no circumstances shall Developer look to Agency, Authority or City, their directors, officers, share-

holders, employees, and agents, and their respective heirs, successors, personal representatives and assigns (collectively, "Indemnified Parties") for any liability or indemnification regarding Hazardous Materials and/or oil wells and/or underground storage tanks and/or pipelines. Developer, and each of the entities constituting Developer, if any, from and after the Commencement of Tenancy, hereby waives, releases, remises, acquits and forever discharges Indemnified Parties, of and from any and all Environmental Claims, Environmental Cleanup Liability and Environmental Compliance Costs, as those terms are defined below, and from any and all actions, suits, legal or administrative orders or proceedings, demands, actual damages, punitive damages, loss, costs, liabilities and expenses, which concern or in any way relate to the physical or environmental conditions of the Site, the existence of any Hazardous Material thereon, or the release or threatened release of Hazardous Materials therefrom, whether existing prior to, at or after the Closing. It is the intention of the parties pursuant to this release that any and all responsibilities and obligations of the Indemnified Parties, and any and all rights, claims, rights of action, causes of action, demands or legal rights of any kind of Developer, its successors, assigns or any affiliated entity of Developer, against the Indemnified Parties, arising by virtue of the physical or environmental condition of the Site, the existence of any Hazardous Materials thereon, or any release or threatened release of Hazardous Material therefrom, whether existing prior to, at or after the Closing, are by this Release provision declared null and void and of no present or future force and effect as to the parties; provided, however, that no parties other than the Indemnified Parties (defined below) shall be deemed third party beneficiaries of such release. *In connection therewith, Developer and each of the entities constituting Developer, expressly agree to waive any and all rights which said party may have under Section 1542 of the California Civil Code which provides as follows:*

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

DEVELOPER'S INITIALS: _____ AUTHORITY'S INITIALS: _____

Developer and each of the entities constituting Developer, shall, from and after the Commencement of Tenancy, defend, indemnify and hold harmless the Indemnified Parties from and against any and all Environmental Claims, Environmental Cleanup Liability, Environmental Compliance Costs, and any other claims, actions, suits, legal or administrative orders or proceedings, demands or other liabilities resulting at any time from the physical and/or environmental conditions of the Site whether before or after the Closing or from the existence of any Hazardous Materials or the release or threatened release of any Hazardous Materials of any kind whatsoever, in, on or under the Site occurring at any time whether before or after the Commencement of Tenancy, including, but not limited to, all foreseeable and unforeseeable damages, fees, costs, losses and expenses, including any and all attorneys' fees and environmental consultant fees and investigation costs and expenses, directly or indirectly arising therefrom, and including fines and penalties of any nature whatsoever, assessed, levied or asserted against any Indemnified Parties to the extent that the fines and/or penalties are the result of a violation or an alleged violation of any Environmental Law. Developer further agrees that

in the event Developer obtains, from former or present owners of the Site or any other persons or entities, releases from liability, indemnities, or other forms of hold harmless relating to the subject matter of this section, Developer shall use its diligent efforts to obtain for Agency, Authority and City the same releases, indemnities and other comparable provisions.

For purposes of this Section 504, the following terms shall have the following meanings:

a. "*Environmental Claim*" means any claim for personal injury, death and/or property damage made, asserted or prosecuted by or on behalf of any third party, including, without limitation, any governmental entity, relating to the Site or its operations and arising or alleged to arise under any Environmental Law.

b. "*Environmental Cleanup Liability*" means any cost or expense of any nature whatsoever incurred to contain, remove, remedy, clean up, or abate any contamination or any Hazardous Materials on or under all or any part of the Site, including the ground water thereunder, including, without limitation, (A) any direct costs or expenses for investigation, study, assessment, legal representation, cost recovery by governmental agencies, or ongoing monitoring in connection therewith and (B) any cost, expense, loss or damage incurred with respect to the Site or its operation as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, treatment, cleanup or abatement.

c. "*Environmental Compliance Cost*" means any cost or expense of any nature whatsoever necessary to enable the Site to comply with all applicable Environmental Laws in effect. "Environmental Compliance Cost" shall include all costs necessary to demonstrate that the Site is capable of such compliance.

d. "*Environmental Law*" means any federal, state or local statute, ordinance, rule, regulation, order, consent decree, judgment or common-law doctrine, and provisions and conditions of permits, licenses and other operating authorizations relating to (A) pollution or protection of the environment, including natural resources, (B) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (C) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical sub-stances from industrial or commercial activities, or (D) regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal.

e. "*Hazardous Material*" is defined to include any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is: (A) petroleum or oil or gas or any direct or derivate product or byproduct thereof; (B) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division

20, Chapter 6.5 (Hazardous Waste Control Law); (C) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (D) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Sections 25501(j) and (k) and 25501.1 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (E) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (F) "used oil" as defined under Section 25250.1 of the California Health and Safety Code; (G) asbestos; (H) listed under Chapter 11 of Division 4.5 of Title 22 of the California Code of Regulations, or defined as hazardous or extremely hazardous pursuant to Chapter 10 of Division 4.5 of Title 22 of the California Code of Regulations; (I) defined as waste or a hazardous substance pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (J) designated as a "toxic pollutant" pursuant to the Federal Water Pollution Control Act, 33 U.S.C. § 1317; (K) defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (42 U.S.C. § 6903); (L) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601); (M) defined as "Hazardous Material" pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq.; or (N) defined as such or regulated by any "Superfund" or "Superlien" law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials and/or oil wells and/or underground storage tanks and/or pipelines, as now, or at any time here-after, in effect.

3. **Survival.** Notwithstanding any other provision of this Agreement, Developer's release and indemnification as set forth in the provisions of this Section, as well as all provisions of this Section shall survive the termination of this Agreement and shall continue in perpetuity.

4. **Conditions Directly Caused by Indemnified Parties.** Notwithstanding anything to the contrary in this Section, Developer's release of the Indemnified Parties from liability pursuant to this Section shall not extend to Hazardous Materials directly brought onto the Site by the Indemnified Parties`.

VI. (§600) DEVELOPMENT OF THE SITE.

A. (§601) Prepayment to Developer.

Within twenty (20) days after the Effective Date of this Agreement, the Authority hereby agrees to pay to Developer the Prepayment of $200,000. The Prepayment represents the Developer's Profits from the Phase I development that have been held by the Authority to date.

B. (§602) **Development Plans, Final Building Plans, Subdivision Map Act Approvals, Environmental Review.**

The Site shall be developed by Developer as provided in the Scope of Work, the Lease/Regulatory Agreement, and the plans and permits approved by Agency and City pursuant to this Section 602.

1. **Proposed Development's Consistency With Plan and Codes.** Agency and Authority warrant and represent that the City's General Plan, Zoning Ordinance, and Redevelopment Plan permits Developer's proposed development, and construction, operation, and use of the Site as provided in this Agreement, including without limitation the Project, subject only to (i) approval of the Project pursuant to Health and Safety Code Sections 33433, (ii) those development approvals yet to be obtained, including proposed General Plan and Zoning Ordinance amendments if applicable, Site Plan Review and subdivision approval (if required), and (iii) City's and Agency's review and approval of the Project in accordance with the California Environmental Quality Act. It is expressly understood by the parties hereto that Agency makes no representations or warranties with respect to approvals required by any other governmental entity or with respect to approvals hereinafter required from City, Authority or Agency, and Authority, Agency and City reserve full police power authority over the Project. Nothing in this Agreement shall be deemed to be a prejudgment or commitment with respect to such items nor a guarantee that such approvals or permits will be issued within any particular time or with or without any particular conditions. Notwithstanding the foregoing, the Agency hereby acknowledges that permits and planning approvals for Phase II improvements have already been processed by the City's planning authorities, excepting that Developer's fulfillment of vehicular parking requirements for the Phase II development still require review and approval by the City of Irwindale Planning Commission and City Council.

2. **Evolution of Development Plan.** Submittals, reviews and plans for the Project covered by this Section 602 shall be processed in accordance with the Schedule of Performance attached hereto at Exhibit "C". Concurrently with the approval of this Agreement, the Agency and Authority, as appropriate, has approved the Developer's Conceptual Site Plans for the completed Project as presented in Exhibit "D" hereto. On or before the date set forth in the Schedule of Performance, Developer shall submit to the City preliminary, and thereafter final drawings and specifications for development of the Site and each Site thereof in accordance with the Scope of Work, and all in accordance with the City's requirements. The term preliminary and final drawings shall be deemed to include site plans, building plans and elevations, grading plans, if applicable, landscaping plans, parking plans, signage, a description of structural, mechanical, and electrical systems, and all other plans, drawings and specifications. Final drawings will be in sufficient detail to obtain a building permit. Said plans, drawings and specifications shall be consistent with the Scope of Work and the various development approvals referenced hereinabove, except as such items may be amended by City (if applicable) and by mutual consent of Agency/Authority and Developer. Plans (concept, preliminary and construction) shall be progressively more detailed and will be approved if there is a logical evolution of plans, drawings or specifications previously approved. Sufficiently detailed Plans to obtain all discretionary land use approvals, including for site plan approval, conditional use

permits, and other actions requiring Planning Commission approvals, if applicable, shall be submitted and processed concurrently for the Site.

3. **Developer Best Efforts to Obtain Approvals.** Developer shall exercise its best efforts to timely submit all documents and information necessary to obtain all development and building approvals from the City, Authority or Agency, as appropriate, in a timely manner. Not by way of limitation of the foregoing, in developing and constructing the Project, Developer shall comply with all applicable development standards in City's Municipal Code and shall comply with all building code, landscaping, signage, and parking requirements, except as may be permitted through approved variances and modifications.

4. **Agency Facilitation of Project Permits and Approvals.** Subject to Developer's compliance with (i) the applicable City, Authority and Agency development standards for the Site, and (ii) all applicable laws and regulations governing such matters as public hearings, site plan review and environmental review, Agency and Authority agree to provide reasonable assistance to Developer, at no cost to Agency/Authority, in the expeditious processing of Developer's submittals required under this Section in order that Developer can obtain a final City action on such matters within the time set forth in the Schedule of Performance. City or Agency's failure to provide necessary approvals or permits within such time periods, after and despite Developer's reasonable efforts to submit the documents and information necessary to obtain the same, shall constitute an Enforced Delay.

5. **Disapproval.** The Agency or Authority, as appropriate, shall approve or disapprove any submittal made by Developer pursuant to this Section within thirty (30) days after such submittal. All submittals made by Developer will note the 30-day time limit, and specifically reference this Agreement and this section. Any disapproval shall state in writing the reason for the disapproval and the changes which the Agency or Authority requests to be made. Developer shall make the required changes and revisions and resubmit for approval as soon as is reasonably practicable but no more than thirty (30) days after the date of disapproval. Thereafter, Agency or Authority, as appropriate, shall have an additional thirty (30) days for review of the resubmittal, but if the Agency/Authority disapproves the resubmittal, then the cycle shall repeat, until the required approval has been obtained. The foregoing time periods may be shortened if so specified in the Schedule of Performance.

6. **CEQA.** The Agency or Authority shall be responsible for obtaining the approval of this Agreement and the Project as required by the California Environmental Quality Act by the time set forth in the Schedule of Performance. Without limitation of the foregoing, Developer specifically acknowledges and agrees that the Developer shall satisfy all conditions necessary to ensure that the Project conforms to all applicable CEQA requirements. The Developer agrees to supply information and otherwise assist Agency, upon Agency's request, to determine the environmental impact of the proposed development and to allow Agency to prepare and process such environmental documents, if any, as may need to be completed for the development pursuant to the requirements of CEQA.

C. (§603) **Developer Responsibilities During Construction.**

The cost of constructing all of the improvements required to be constructed for the Project shall be borne by Developer, except for any Prepayment monies or Agency Assistance expressly set forth in this Agreement. In addition, in developing the Site, Developer shall conduct watering of the ground as reasonably required by Agency and Authority, and take such other actions as Agency/Authority shall reasonably require to minimize the impact of construction and airborne debris on nearby property.

D. (§604) **Schedule of Performance; Progress Reports.**

Developer shall begin and complete all plans, reviews, construction and development specified in the Scope of Work within the times specified in the Schedule of Performance (Exhibit "C") or such reasonable extensions of said dates as may be mutually approved in writing by the parties or approved by the Authority's director as necessary to reflect Enforced Delays or minor, acceptable changes in Project progress.

Once construction is commenced, it shall be diligently pursued to completion, and shall not be abandoned for more than thirty (30) consecutive days, except when due to an Enforced Delay. Developer shall keep the Agency/Authority informed of the progress of construction and shall submit monthly to the Authority written reports of the progress of the construction in the form required by the Authority. Developer's reports of Project progress may take the form of Developer's construction draw request, which include a percentage of work completed to date on all previous payments (per line item) as well as the percentage of work completed on the current request.

E. (§ 605) **Disbursement of Project Contribution To Be Commensurate With Project Progress; Funding Services Agent.**

That portion of the Agency Assistance consisting of the Project Contribution (up to the amount not to exceed One Million, Seven-Hundred and Eighty-Seven Thousand, Five Hundred Dollars ($1,787,500.00)) shall be paid to Developer directly by a third-party funding services agent responsible for holding and disbursing Project Contribution funds (the "**Funding Agent**"). The Authority shall pay the full amount of the Project Contribution to the Funding Agent within thirty (30) days of the Commencement of Tenancy and the Funding Agent shall hold such Project Contribution in a separate, distinct and non-mingled escrow fund. The Funding Agent will be retained by the Authority pursuant to an agreement for services in the form substantially similar to the Funding Services Agreement attached hereto as Exhibit "I" ("**Funding Services Agreement**"). As described in the Funding Services Agreement, the Funding Agent shall pay the Project Contribution to Developer as Developer incurs the actual costs of Project construction and commensurate with Project progress as detailed in the Scope of Work, Schedule of Performance and Project Budget attached hereto as Exhibit "C" and the Concept Plans at Exhibit "D". Funding Agent shall have the right to verify the accuracy of invoices and Project progress as permitted in the Funding Services Agreement. Developer agrees to pay all costs of the Funding Agent's services incurred in the course of performing the Funding Services

Agreement; the Funding Agent shall directly invoice Developer for Funding Agent's services, and Developer will pay such invoices out of the Prepayment funds referenced in Section 601.

If there are any funds associated with the Project Contribution remaining in the Project Contribution escrow account after the issuance of a Certificate of Completion for the Project pursuant to Section 615 hereof because such work did not match or exceed the Project Contribution amount, then any remaining funds shall be paid to the Developer.

F. (§ 606) Ownership of Project Improvements.

Developer warrants that title to all Project improvements constructed or placed on the Site by Lessee, including buildings and structures, whether approved by Authority or constructed in violation of this Agreement and/or the Lease/Regulatory Agreement, are and shall be vested in Developer during the 55-Year Affordability Period, but shall automatically become the property of Authority upon the expiration or sooner termination of this Agreement and/or the Lease/Regulatory Agreement. In such case that the Developer does breach the Lease/Regulatory Agreement prior to the expiration of its 55-Year Affordability Period, the Authority shall have the Right of Reverter to re-take possession of the Site pursuant to Section 905 hereof.

G. (§607) Adjunct Contribution.

The $110,000 Adjunct Contribution is made available to the Developer by Authority in consideration for the Developer's acceptance of, and agreement to, the construction or implementation of those improvements and services identified in Exhibit "G" hereto. The Funding Agent will pay Adjunct Contribution funds to Developer as Developer incurs the actual costs of installing/providing the improvements and services listed in Exhibit "G".

Similar to the Project Contribution, the Authority shall establish a separate, distinct and unmingled escrow account with the Funding Agent for purposes of the Funding Agent's holding and disbursement of the Adjunct Contribution. The Funding Agent's services will be contracted for purposes of holding and disbursing the Adjunct Contribution via the same, or substantially the same, Funding Services Agreement as the one at Exhibit "I". Authority shall pay the full amount of the Adjunct Contribution into escrow with the Funding Agent no later than thirty (30) days after the Effective Date of this Agreement. If there are any funds associated with the Adjunct Contribution remaining in escrow after the issuance of a Certificate of Completion for the Project pursuant to Section 615 hereof because the cost of such work did not match or exceed the Adjunct Contribution amount, then any remaining funds shall be placed into the Reserve Fund to be used for future Project maintenance or refurbishments.

1. **Settlement/Release.** The parties have agreed that the Authority will pay the Adjunct Contribution for two primary purposes: (1) because the improvements stated in Exhibit "G" are beyond the scope of Project improvements as originally contemplated and therefore warrant additional consideration from the Authority, and (ii) because the Developer, Agency and Authority have been in some dispute as to which precise party was intended to be the payee of those funds which have been identified herein as the Prepayment and the Adjunct

Contribution (i.e., a total amount of $310,000). In order to resolve the dispute over funds identified in the preceding sentence as item (ii), the parties have agreed to the monetary arrangements set forth in Section 601 hereof (as to the Prepayment) and this Section 607. Therefore, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties do hereby release and forever discharge each others' respective "Releasees" hereunder, consisting of themselves and their respective elected or appointed public officials, officers, employees and agents, including, but not limited to, each of their associates, predecessors, successors, heirs, assignees, agents, directors, officers, employees, representatives, elected or appointed public officials, attorneys, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expenses, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which any party now has or may hereafter have against the Releasees, or any of them, arising out of, based upon, or relating to the Agency's or Authority's holding, accounting and/or distribution of those funds that have been identified herein as the Prepayment and/or the Adjunct Contribution (i.e., an amount of funds totaling $310,000).

Further, the parties acknowledge that they may hereafter discover facts different from or in addition to those that they now know or believe to be true with respect to the Claims that are the subject of the release set forth in the foregoing paragraph, and the parties expressly agree to assume the risk of the possible discovery of additional or different facts, and the parties agree that this Agreement shall be and remain effective in all respects regardless of such additional or different facts. To that end, the parties expressly and mutually agree to waive and relinquish all rights and benefits she may have under Section 1542 of the Civil Code of the State of California. That section reads as follows:

> "§1542. [General release; extent] A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

H. (§608) <u>Indemnification During Construction.</u>

During the periods of construction on the Site and until such time as the Agency or Authority has issued a Release of Construction Covenants with respect to the construction of the improvements thereon, the Developer agrees to and shall indemnify and hold the Agency, Authority and the City harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person which shall occur on the Site and which shall be directly or indirectly caused by any acts done thereon or any errors or omissions of the Developer or its agents, servants, employees, or contractors. The Developer shall not be responsible for (and such indemnity shall not apply to) any acts, errors, or omissions of the Agency, Authority or the City,

or their respective agents, servants, employees, or contractors. The Agency, Authority and City shall not be responsible for any acts, errors, or omissions of any person or entity except the Agency, Authority and the City and their respective agents, servants, employees, or contractors, subject to any and all statutory and other immunities. The provisions of this Section shall survive the termination of this Agreement.

I. (§609) Insurance.

Except as provided in this Section, prior to the entry by Developer on the Site pursuant to Section 503.2 and prior to the commencement of any construction by Developer on the Project, Developer shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to Agency, during the entire term of such entry or construction, the following policies of insurance:

1. **Commercial General Liability Insurance.** A policy of commercial general liability insurance written on a per occurrence basis in an amount not less than a combined single limit of TWO MILLION DOLLARS ($2,000,000.00)

2. **Worker's Compensation Insurance.** A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Developer, Agency, Authority and the City against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Developer in the course of carrying out the work or services contemplated in this Agreement.

3. **Automobile Insurance.** A policy of automobile liability insurance written on a per occurrence basis in an amount not less than ONE MILLION DOLLARS ($1,000,000.00) combined single limit per accident for bodily injury and property damage covering owned, leased, hired, and non-owned vehicles.

4. **Course of Construction/Builder's Risk Insurance.** A course of construction insurance policy that includes Builder's Risk coverage covering the full replacement value of all of the improvements to be constructed by Developer pursuant to this Agreement, and Developer's personal property and equipment. Developer shall procure the builder's risk insurance policy prior to commencing construction.

All of the above policies of insurance, except the Builder's Risk Insurance, shall be primary insurance and shall name Agency, Authority, City, and their officers, employees, and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against Agency, Authority, City, and their officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that said insurance may not be amended or cancelled without providing thirty (30) days prior written notice by registered mail to Agency, Authority and City. In the event any of said policies of insurance are cancelled, the Developer shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section to the Executive Director. No work or services under this Agreement shall

commence until the Developer has provided Agency with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by Agency.

The policies of insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City ("Risk Manager") due to unique circumstances.

Developer shall provide in all contracts with contractors, subcontractors, architects, and engineers that said contractor, subcontractor, architect, or engineer shall maintain the same policies of insurance required to be maintained by Developer pursuant to this Section, unless waived or modified by the Risk Manager (which waiver or modification shall not be unreasonably denied or delayed). The parties hereby acknowledge that the Risk Manager shall waive the foregoing requirement where it is not reasonably possible or cost-effective for the Developer to require a certain class of professional service providers to maintain the same policies of insurance required to be maintained by Developer pursuant to this Section.

The Developer agrees that the provisions of this Section shall not be construed as limiting in any way the extent to which the Developer may be held responsible for the payment of damages to any persons or property resulting from the Developer's activities or the activities of any person or persons for which the Developer is otherwise responsible.

J. (§610) City and Other Governmental Agency Permits.

Before commencement of construction or development of any buildings, structures, or other works of improvement upon the Site which are Developer's responsibility under the applicable Scope of Work, Developer shall at his own expense secure or cause to be secured any and all permits which may be required by City or any other governmental agency affected by such construction, development or work. The Developer shall not be obligated to construction if any such permit is not issued despite good faith effort by Developer. If there is delay beyond the usual time for obtaining any such permits due to no fault of Developer, the Schedule of Performance shall be extended to the extent such delay prevents any action which could not legally or would not in accordance with good business practices be expected to occur before such permit was obtained. Developer shall pay all normal and customary fees and charges applicable to such permits and any fees or charges hereafter imposed by City, Authority or Agency which are standard for and uniformly applied to similar projects in the City.

K. (§611) Rights of Access.

Representatives of the Agency and Authority shall have the reasonable right of access to the Site without charges or fees, at any time after the Commencement of Tenancy and upon reasonable notice to Developer, for the purpose of assuring compliance with this Agreement, the Lease/Regulatory Agreement, including but not limited to the inspection of Project construction,

rehabilitation and maintenance work being performed by or on behalf of Developer. Each such representative of Agency or Authority shall identify himself or herself at the Developer's representative or Site manager upon his or her entrance to the Site, and shall provide Developer, or the Site Manager or similar person in charge on the Site, a reasonable opportunity to have a representative accompany him or her during the inspection. Agency and Authority shall indemnify, defend, and hold Developer harmless from any injury or property damage caused or liability arising out of Agency's or Authority's exercise of this right of access.

L. (§612) Applicable Laws.

Developer shall carry out the construction of the Project improvements to be constructed or rehabilitated by Developer in conformity with all applicable laws, including all applicable federal and state labor laws.

M. (§613) Nondiscrimination During Construction.

Developer, for himself and his successors and assigns, agrees that in the construction of the improvements to be constructed by Developer, it shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, sexual preference, marital status, ancestry or national origin.

N. (§614) Rights of Holders of Approved Security Interests in Site.

1. **Definitions.** As used in this Section, the term "mortgage" shall include any mortgage, whether a leasehold mortgage or otherwise, deed of trust, or other security interest, or sale and lease-back, or any other form of conveyance for financing. The term "holder" shall include the holder of any such mortgage, deed of trust, or other security interest, or the lessor under a lease-back, or the grantee under any other conveyance for financing.

2. **Mortgages Subject to Agency and Authority Written Approval.** Excepting the Leasehold Mortgage permitted by this Agreement, Developer shall not permit or encumber any interest in the Site with any mortgage, directly or indirectly, voluntarily or by operation of law, without the prior written approval of Agency and Authority, and if any interest in the Site is so purported to be mortgaged, the same shall be null and void. In any event, the Developer shall promptly notify the Agency and Authority of any mortgage, encumbrance, or lien that has been created or attached to the Site whether by voluntary act of the Developer or otherwise.

3. **Developer's Breach Not to Defeat Mortgage Lien.** Developer's breach of any of the covenants or restrictions contained in this Agreement shall not defeat or render invalid the lien of any mortgage made in good faith and for value as to the Site, or any part thereof or interest therein, but unless otherwise provided herein, the terms, conditions, covenants, restrictions, easements, and reservations of this Agreement shall be binding and effective against the holder of any such mortgage of the Site whose interest is acquired by foreclosure, trustee's sale or otherwise.

4. **Holder Not Obligated to Construct or Complete Improvements.** The holder of any mortgage shall in no way be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Site or any portion thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

5. **Notice of Default to Mortgages, Deed of Trust or other Security Interest Holders.** Whenever Agency or Authority shall deliver any notice or demand to Developer with respect to any breach or default by Developer hereunder, Agency/Authority shall at the same time deliver a copy of such notice or demand to each holder of record of any mortgage who has previously made a written request to Agency/Authority therefor, or to the representative of such lender as may be identified in such a written request by the lender. No notice of default shall be effective as to the holder unless such notice is given.

6. **Right to Cure.** Each holder (insofar as the rights of Agency and Authority are concerned) shall have the right, at its option, within ninety (90) days after the receipt of the notice, to:

a. Obtain possession, if necessary, and to commence and diligently pursue said cure until the same is completed, and

b. Add the cost of said cure to the security interest debt and the lien or obligation on its security interest;

c. Provided that in the case of a default which cannot with diligence be remedied or cured within such ninety (90) day period, such holder shall have additional time as reasonably necessary to remedy or cure such default.

In the event there is more than one such holder, the right to cure or remedy a breach or default of Developer under this Section shall be exercised by the holder first in priority or as the holders may otherwise agree among themselves, but there shall be only one exercise of such right to cure and remedy a breach or default of Developer under this Section.

No holder shall undertake or continue the construction or completion of the Project improvements (beyond the extent necessary to preserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to Agency and Authority by written agreement satisfactory to Agency/Authority with respect to the Site or any portion thereof in which the holder has an interest. The holder must agree to complete, in the manner required by this Agreement, the improvements to which the lien or title of such holder relates, and submit evidence satisfactory to the Agency and Authority that it has the qualifications and financial responsibility necessary to perform such obligations.

7. **Agency/Authority's Rights upon Failure of Holder to Complete Improvements.** In any case where one hundred eighty (180) days after default by Developer in

completion of construction of improvements under this Agreement, the holder of any mortgage creating a lien or encumbrance upon the Site or improvements thereon has not exercised the option to construct afforded in this Section or if it has exercised such option and has not proceeded diligently with construction, Agency or Authority may, after ninety (90) days' notice to such holder and if such holder has not exercised such option to construct within said ninety (90) day period, purchase the mortgage, upon payment to the holder of an amount equal to the sum of the following:

a. The unpaid mortgage debt plus any accrued and unpaid interest (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings, if any);

b. All expenses incurred by the holder with respect to foreclosure, if any;

c. The net expenses (exclusive of general overhead), incurred by the holder as a direct result of the ownership or management of the Site, such as insurance premiums or real estate taxes, if any;

d. The costs of any improvements made by such holder, if any; and

e. An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage debt and such debt had continued in existence to the date of payment by the Agency/Authority.

In the event that the holder does not exercise its option to construct afforded in this Section, and Agency/Authority elects not to purchase the mortgage of holder, upon written request by the holder to Agency and Authority, Agency and Authority agree to use reasonable efforts to assist the holder selling the holder's interest to a qualified and responsible party or parties (as determined by Agency and Authority), who shall assume the obligations of making or completing the improvements required to be constructed by Developer, or such other improvements in their stead as shall be satisfactory to Agency and Authority. The proceeds of such a sale shall be applied first to the holder of those items specified in subparagraphs a. through e. hereinabove, and any balance remaining thereafter shall be applied as follows:

a. First, to reimburse Agency/Authority, on their own behalf and on behalf of the City, for all costs and expenses actually and reasonably incurred by Agency/Authority, including but not limited to payroll expenses, management expenses, legal expenses, and others.

b. Second, to reimburse Agency/Authority, on their own behalf and on behalf of the City, for all payments made by Agency/Authority to discharge any other encumbrances or liens on the Site or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of Developer, its successors or transferees.

c. Third, to reimburse Agency/Authority, on their own behalf and on behalf of the City, for all costs and expenses actually and reasonably incurred by Agency/Authority, in connection with its efforts assisting the holder in selling the holder's interest in accordance with this Section.

d. Fourth, any balance remaining thereafter shall be paid to Developer.

8. **Right of Agency/Authority to Cure Mortgage, Deed of Trust or Other Security Interest Default.** In the event of a default or breach by Developer of a mortgage where the holder of any such mortgage has not exercised its option to complete the Project development, Agency or Authority may cure the default prior to completion of any foreclosure. In such event, Agency/Authority shall be entitled to reimbursement from Developer or other entity of all costs and expenses incurred by Agency/Authority in curing the default, to the extent permitted by law, as if such holder initiated such claim for reimbursement, including legal costs and attorneys' fees, which right of reimbursement shall be secured by a lien upon the Site to the extent of such costs and disbursements. Any such lien shall be subject to:

a. Any mortgage for financing permitted by this Agreement; and

b. Any rights or interests provided in this Agreement for the protection of the holders of such mortgages for financing;

c. Provided that nothing herein shall be deemed to impose upon Agency or Authority any affirmative obligations (by the payment of money, construction or otherwise) with respect to the Site in the event of its enforcement of its lien.

O. (§615) Certificate Of Completion.

Upon the completion of all Project construction required to be completed by Developer on the Site pursuant to the Scope of Work, Authority shall furnish Developer with the Certificate of Completion for the Site thereof in the form attached hereto as Exhibit "J" upon written request therefor by Developer. The Certificate of Completion shall be executed and notarized so as to permit it to be recorded in the Office of the Recorder of Los Angeles County. Authority shall not unreasonably withhold a Certificate of Completion.

A Certificate of Completion shall be, and shall state that it constitutes, conclusive determination of satisfactory completion of the construction and development of the improvements required by the Scope of Work upon the Site and of full compliance with the terms of this Agreement with respect thereto.

Authority shall not unreasonably withhold a Certificate of Completion. If Authority refuses or fails to furnish a Certificate of Completion within thirty (30) days after written request from Developer or any entity entitled thereto, Authority shall provide a written statement of the reasons Authority refused or failed to furnish a Certificate of Completion. The statement shall also contain Authority's opinion of the action Developer must take to obtain a Certificate of

Completion. If the reason for such refusal is confined to the immediate availability of specific items or materials for landscaping, or other minor so-called "punch list" items, Authority will issue its Certificate of Completion upon the posting of a bond or other security reasonably acceptable to Authority by Developer with Authority in an amount representing one hundred fifty percent (150%) of the fair value of the work not yet completed.

A Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage, or any insurer of a mortgage securing money loaned to finance the improvements, or any part thereof. Such Certificate of Completion is not notice of completion as referred to in the California Civil Code Section 3093. Nothing herein shall prevent or affect Developer's right to obtain a Certificate of Occupancy from the City, if applicable, before the Certificate of Completion is issued.

P. (§616) Estoppels.

No later than thirty (30) days after the request of Developer or any holder of a mortgage or deed of trust, Agency/Authority shall, from time to time and upon the request of such holder, execute and deliver to Developer or such holder a written statement of Agency/Authority that no default or breach exists (or would exist with the passage of time, or giving of notice or both) by Developer under this Agreement, if such be the determination of the Agency/Authority, and certifying as to whether or not Developer has at the date of such certification complied with any obligation of Developer hereunder as to which such holder may inquire. The form of any estoppel letter shall be prepared by the holder or Developer and shall be at no cost to Agency/Authority, though the Agency/Authority's acceptance of such form of estoppel statement shall be made in the sole and absolute discretion of the Agency/Authority.

VII. (§700) USES AND MAINTENANCE OF THE SITE

A. (§701) Uses of the Site.

The Developer covenants and agrees for itself, its successors, its assigns and every successor in interest that during construction and thereafter, the Developer, such successors and such assigns shall devote the Site to the uses as follows:

The Developer covenants and agrees for itself, its successors and assigns, which covenants shall run with the land and bind every successor or assign in interest of Developer, that during development of the Site pursuant to this Agreement and thereafter, neither the Site nor the improvements, nor any portion thereof, shall be improved, used or occupied in violation of any applicable governmental restrictions or the restrictions of this Agreement. Furthermore, Developer and its successors and assigns shall not initiate, maintain, commit, or permit the maintenance or commission on the Site or in the improvements, or any portion thereof, or any nuisance, public or private, as now or hereafter defined by any statutory or decisional law applicable to the Site or the improvements, or any portion thereof. The Developer further covenants and agrees on behalf of itself and its successors and assigns to devote, use, operate and maintain the Site in accordance with this Agreement, the Lease/Regulatory Agreement, and the

other documents recorded against the Restricted Units pursuant to the provisions of this Agreement, and the Lease/Regulatory Agreement.

Notwithstanding anything to the contrary or that appears to be to the contrary in this Agreement, Developer hereby covenants, on behalf of itself, and its successors and assigns, which covenants shall run with the land and bind every successor and assign in interest of Developer, that, Developer and such successors and assigns shall use the Site solely for the purpose of constructing, maintaining and operating a residential project meeting the requirements and restrictions of this Agreement, including, without limitations, restriction of the rental and occupancy of the Restricted Units only to Qualified Tenants for a rent not in excess of an affordable rent for the period specified herein.

B. (§702) Affordable Housing.

1. **Construction of Affordable Housing.** The Developer covenants and agrees to construct a maximum of twenty-five (25) Restricted Units and one (1) Manager's Unit in conformity with the Scope of Work and Lease/Regulatory Agreement. All of the Restricted Units shall be restricted to rental at an affordable rent to extremely low, low, very low, and moderate income households. Nine (9) of the Restricted Units shall be restricted rental to extremely low income senior households; Six (6) of the Restricted Units shall be restricted rental to very low income senior households; Five (5) of the Restricted Units shall be restricted to low income senior households; and, Five (5) of the Restricted Units shall be restricted to moderate income senior households. Only one (1) unit will be income *un*restricted as the Manager Unit. The specific location, size and specifications of the Restricted Units shall be as set forth in the Scope of Work and as further designated by the Authority. All Restricted Units shall be subject to and shall be leased in compliance with the tenant selection criteria described in the Lease/Regulatory Agreement.

2. **Restricted Unit Requirements.** All Restricted Units constructed pursuant to this Agreement shall be occupied at all times only by the household of the Qualified Tenant who has rented that Restricted Unit. Developer covenants to cooperate with Authority in taking all steps necessary to implement this requirement with respect to all Qualified Tenants. In addition, all Qualified Tenants shall meet and shall be prioritized in accordance with the "tenant selection criteria" set forth in the Lease/Regulatory Agreement. The restrictions upon rental and use of each Restricted Unit shall continue for a period of fifty-five (55) years from the earlier of either (i) December 1, 2011, or (ii) the opening of Phase II units as available for rent to Qualified Tenants (the **"55-Year Affordability Period"**). In the interest of achieving its affordable housing needs, the Authority will provide those Rent Subsidies described in Section 708 below.

3. **Leasing of Residences by Developer.**

a. *Authority To Implement Vacancy Marketing & Initial Rent Rates.* The Authority shall undertake responsibility for the directed marketing of first-time tenant-applicants suited for the Restricted Units. Authority shall further undertake the income

verification process for all first-time tenant applicants. The Authority shall be responsible for setting the initial rent rate for each tenant in accordance with Section 708, below.

b. *Leases to be Processed by Developer.* Once the Authority has verified that a prospective tenant is qualified to fill a vacant Restricted Unit and set a rental rate for that tenant, the lease documentation for that Unit shall be processed by the Developer. All processing of leases and lease renewals (including the implementation of the automatic 2.5% yearly rent increases) shall be undertaken by Developer.

c. *Restricted Residences.* As set forth above, each of the Restricted Units shall be rented to a Qualified Tenant for a rental rate which does not exceed an affordable rent for the applicable Restricted Unit.

d. *Rent Increases—2.5% Annually.* Rent rates shall automatically increased each calendar year by a factor of 2.5% as shown in Exhibit "H" and more particularly described in the Lease/Regulatory Agreement. Such annual rent increases shall not be charged to a Qualified Tenant if the increase would exceed the affordable rent level for which a Restricted Unit is designated (though the escalated rent rate will be treated as Guaranteed Rent for purposes of calculating any Rent Subsidy under Section 708(3)).

e. *Monthly Rent Report.* Within seven (7) days of the end of each month, the Developer will provide a monthly unit-by-unit written report to the Authority (the "**Monthly Rent Report**"). The Monthly Rent Report shall show the actual level of rent paid that month for each Restricted Unit and to what extent, if any, the unit's set rental rate is either in excess of, or below, the Guaranteed Rent. The Monthly Rent Report shall further report any leases in default, any material changes in tenant income levels, a unit-by-unit report of the initial rent rate for each tenant and the current rent paid by such tenant, a statement of any amounts of either Rent Subsidy or Rent Refund due and owing and documentation supporting such amounts, and such other information as Authority may reasonably request.

f. *Annual Tenancy Recertification Report.* Developer shall provide Authority annually with a report on Project occupancy for each Restricted Unit, including information concerning the number of months during which each Restricted Unit was occupied, the income category, senior citizen status of each tenant household occupying a Restricted Unit. This annual report shall include Developer's report on income-recertification for each household leasing a Restricted Unit. The annual report and Developer's records related to each tenancy shall be subject to inspection and audit upon Authority's written request.

C. (§703) **Obligation to Refrain from Discrimination.**

There shall be no discrimination against, or segregation of, any persons, or group of persons, on account of race, color, creed, religion, sex, marital status, sexual preference, national origin or ancestry in the rental, sale, lease, sublease, transfer, use, occupancy, or enjoyment of the Site, or any portion thereof, nor shall Developer, or any person claiming under or through Developer, establish or permit any such practice or practices of discrimination or segregation

with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site or any portion thereof (except as permitted by this Agreement). The nondiscrimination and nonsegregation covenants contained herein shall remain in effect in perpetuity.

D. (§704) Form of Nondiscrimination and Nonsegregation Clauses.

Subject to the tenancy/occupancy restrictions on the Restricted Units not prohibited by federal law as embodied in this Agreement, which may modify the following nondiscrimination clauses, the following shall apply: Developer shall refrain from restricting the rental, sale, or lease of any portion of the Site on the basis of race, color, creed, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. **Deeds:** In Deeds the following language shall appear: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee, or any persons claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

2. **Leases:** In Leases the following language shall appear: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: 'That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased."

3. **Contracts:** Any contracts which Developer or Developer's heirs, executors, administrators, or assigns propose to enter into for the sale, transfer, or leasing of the Site shall contain a nondiscrimination and nonsegregation clause substantially as set forth in Section 613 and in this Section. Such clause shall bind the contracting party and subcontracting party or transferee under the instrument.

E. (§705) **Maintenance of Improvements.**

1. **In General.** Developer covenants and agrees for itself, its successors and assigns, and every successor in interest to the Site or any part thereof, that, from the Commencement of Tenancy, Developer shall be responsible for maintenance of all improvements that may exist on the Site from time to time, including without limitation buildings, parking lots, lighting, signs, and walls, in first-class condition and repair, and shall keep the Site free from any accumulation of debris or waste materials. The Developer shall also maintain all landscaping required pursuant to Developer's approved landscaping plan in a healthy condition, including replacement of any dead or diseased plants. The foregoing maintenance obligations shall run with the land in accordance with and for the term of the Lease/Regulatory Agreement. Developer's further obligations to maintain the Site, and Authority's remedies in the event of Developer's default in performing such obligations, are set forth in the Lease/Regulatory Agreement. Developer hereby waives any notice, public hearing, and other requirements of the public nuisance laws and ordinances of the City that would otherwise apply, except as specified in said Lease/Regulatory Agreements. Upon the sale of any portion of the Site, Developer (but not Developer's successor) shall be released from the requirements imposed by this Section 705, and the financial liability therefor, as to the portion of the Site conveyed.

2. **Qualified Manager for the Entire Site.** The Site shall at all times be managed in a manner that will provide decent, safe and sanitary residential facilities to occupants thereof. The Developer shall be or provide the initial "Qualified Manager" of the Site. The Developer may retain, at no cost or expense to the Authority, on-site personnel and other consultants and service providers to assist Developer/Qualified Manager to operate the Site effectively and in compliance with the provisions of this Agreement and the Lease/Regulatory Agreement, and state and federal law. Developer may not terminate its self-management of the Site without the prior written approval of the Authority, which may be given or withheld in the Authority's sole and absolute discretion.

3. **Termination of Manager; Notice/Cure Periods.** If Authority determines in its reasonable judgment that the Site is not being operated or managed in accordance with all the requirements and standards of this Agreement or the Lease/Regulatory Agreement, or other applicable laws and ordinances, then the Authority may deliver written notice to Developer setting forth with reasonable detail the nature of the deficiencies. Within ten (10) days following the Developer's receipt of such notice, the Authority, Qualified Manager and the Developer shall meet and confer in good faith concerning the nature of the Authority's alleged deficiencies and the actions which the Authority believes necessary to cure such deficiencies. Within thirty (30) days from the conclusion of such discussions, the Developer shall cure such deficiencies and shall ensure that such deficiencies do not recur. If such deficiencies are not cured within said thirty (30) day period, or if such deficiencies recur at a future date, the Authority may, at its option, require the Developer to replace the Site manager with another Qualified Manager selected by the Developer in it's reasonable discretion, provided, that the Developer shall ensure that such replacement Qualified Manager has the necessary skills, experience and financial ability to operate and manage the Site in accordance with all of the

requirements and standards of this Agreement, the Lease/Regulatory Agreement and all other applicable laws and ordinances.

Any contract for the operation or management of the Site entered into by the Developer shall provide that such contract shall be terminated upon thirty (30) days' notice, with or without cause. The Developer's failure to remove and replace a Site manager in accordance with the provisions of this Section 705 shall constitute an event of default under this Agreement and the Lease/Regulatory Agreement.

F. (§ 706) Specific Maintenance Requirements.

Without limiting the provisions of Section 705, Developer's maintenance requirements shall include the following:

a. For Parcel I: Upgrades to interior and exterior lighting on the Site including, without limitation, the replacement or retrofitting of existing lighting with equipment designed for high-efficiency lumens per watt; the replacement of existing interior fixtures with new decorative fixtures that are both attractive and compatible with high-efficiency bulbs; the and installation of motion-sensitive or other crime-deterrent exterior lighting to the extent such lighting can be installed in an attractive and non-obtrusive manner; and, the installation or retrofitting of decorative exterior lighting with equipment designed for high-efficiency lumens per watt. Developer shall utilize renewable energy for exterior lighting, such as solar power, where reasonably possible, cost-effective, attractive and non-obtrusive to residents.

b. For Parcel I: Thorough cleaning and repair to all household appliances. Any household appliance that has not been replaced in the last five (5) years prior to the Effective Date of this Agreement shall be fully replaced. To the extent reasonably possible and cost-effective, appliances not subject to replacement, as provided herein, shall be retrofitted with equipment designed for high-efficiency energy or water consumption, as appropriate.

c. For Parcel I: Full replacement of all carpeting in the Phase I improvements where such carpeting has not been replaced in the last 2 years prior to the Effective Date of this Agreement.

d. For the whole Site: Should any carpeting be more than ten (10) years old upon the vacation of a tenant from the unit, then Developer shall fully replace such carpeting and its underlying padding. Carpeting or padding that has been significantly damaged regardless of its age (i.e., beyond normal wear and tear) shall be replaced upon the tenant's vacation from the unit. Carpeting shall be shampooed every three (3) years, unless the tenant elects to not have shampooing performed.

e. For Parcel I: Thorough cleaning and repair to all cabinetry, countertops showers, tubs and sinks; or if such cabinetry, countertops showers, tubs and sinks are appliances are irreparably and visibly broken, cracked, chipped, damaged, pitted or stained, then replacement with new ones. To the extent reasonably possible and cost-effective, showers, tubs

and sinks that are not to be replaced shall be retrofitted with equipment designed for high-efficiency water consumption.

f. For Parcel I: Thorough cleaning and any necessary repairs to all Heating, Ventilating and Air Conditioning ("HVAC") systems. To the extent reasonably possible and cost-effective, HVAC systems shall be retrofitted with equipment designed for high-efficiency energy consumption. Developer or its Site management shall utilize the air filters recommended by the HVAC system manufacturer (or more effective filter technology if reasonably available); changeable filters shall be changed at a minimum as often as recommended by the HVAC system manufacturer.

g. For the whole Site: To the extent reasonably possible and cost-effective, the Developer shall install solar panels upon Site roofs at Project completion to supplement and support electric energy needs of the Site. Solar paneling will not be required to the extent it would be unsightly, inefficient or ineffective, or obtrusive to Site residents.

h. For the whole Site: Maintain the appearance and safety of the Site (including all improvements, fixtures, and landscaping) in good order, condition, and repair, and free from the accumulation of trash, waste materials, and other debris.

i. For the whole Site: Remove all graffiti placed upon the Site (including all improvements, fixtures, and landscaping) within seventy-two (72) hours of its appearance.

j. For the whole Site: Maintain in good order, condition and repair, properly functioning landscape irrigation systems, including rain gutters and drains, on the Site.

k. For the whole Site: Remove and promptly replace all dead or diseased landscaping material on the Site.

l. For the whole Site: Regularly maintain all painted, metal, stucco or similar exterior finishes in a neat condition without substantially visible chips, rust, cracking, peeling or other such deterioration.

m. For the whole Site: A full upgrade and refurbishment of Site improvements will be undertaken once every ten (10) years in cooperation with the Authority to the extent upgrades and refurbishments are reasonable and cost-efficient for Developer. To this end, Developer will review the interior and exterior condition of Site structures to determine what improvements can be reasonably upgraded or refurbished. A representative of the Authority may accompany Developer during such ten-year Site review to assist and reasonably negotiate which improvements or units require an upgrade. Developer shall not be required to pay for the ten-year upgrades or refurbishments required by this Section if such improvements would cost in excess of 75% of the Reserve Fund identified in the Financial Analysis at Exhibit "H" hereto.

G. (§707) **Effect of Lease/Regulatory Agreement.**

1. **In General.** Agency and Authority are deemed beneficiaries of the terms and provisions of this Agreement and of the restrictions and covenants running with the land, whether appearing in this Agreement or the Lease/Regulatory Agreement, for and in their own right for the purposes of protecting the interests of the community in whose favor and for whose benefit the covenants running with the land have been provided. The covenants in favor of Agency and Authority shall run without regard to whether Agency/Authority have been, remain or are owners of any land or interest therein in the Site, or in the Redevelopment Project Area, and shall be effective as both covenants and equitable servitudes against the Site. Agency and Authority shall have the right, if any of the covenants set forth in this Agreement which are provided for their benefit are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it may be entitled. With the exception of the City, no other person or entity shall have any right to enforce the terms of this Agreement under a theory of third-party beneficiary or otherwise. The covenants running with the land and their duration are set forth in the Lease/Regulatory Agreement.

2. **Termination/Replacement of Old Lease & 30-Year Restrictions.** The Lease/Regulatory Agreement shall terminate and replace the Old Lease in its entirety. The Lease/Regulatory Agreement shall further terminate the 30-Year Restrictions extent upon Parcel I and replace such restrictions with new covenants enduring for the 55-Year Affordability Period.

H. (§708) **Agency Assistance: Guaranteed Rent Structure.**

1. **Guaranteed Rent in General.** In consideration for the Authority's payment of the Project Contribution, the Authority will provide Developer with a minimum, Guaranteed Rent for each Restricted Unit in the Project. Said Guaranteed Rent shall commence at the same time as the start of the 55-Year Affordability Period (i.e., the later of either (i) December 1, 2011, or (ii) the opening of Phase II units as available for rent). The Guaranteed Rent shall also expire at the same time as the expiration of the 55-Year Affordability Period.

2. **Exhibit "H".** The estimated Guaranteed Rent structure is shown in the Financial Analysis at Exhibit "H" hereto. As seen in Exhibit "H", Guaranteed Rent starts, in Calendar Year One, at $500 per unit and escalates each year thereafter by 2.5%. Thus, from Year One to Year Two, the monthly, per-unit Guaranteed Rent for a Restricted Unit will increase from $500 to $513. This annual 2.5% rent escalation shall be automatically charged to Qualified Tenants on an annual basis and fully disclosed in all lease documentation. However, such annual rent increases shall not be charged to a Qualified Tenant if the increase would exceed the affordable rent level for which a Restricted Unit is designated (though the escalated rent rate will be treated as Guaranteed Rent for purposes of calculating any Rent Subsidy). The methodology and procedures for applying annual rent escalations is more particularly described in the Lease/Regulatory Agreement.

3. **Rent Subsidy**. On a monthly, per-unit basis, the Authority will pay the Developer for any shortfalls in Guaranteed Rent for any rent authorized by the Authority below the applicable Guarantee Rent amount for the applicable year. Such Rent Subsidy shall equal the difference between the monthly rental rate approved by Authority for a Restricted Unit and the monthly Guaranteed Rent (e.g., Authority-approved monthly rental rate minus monthly Guaranteed Rent). For example, if in any month of Year Two (which has a minimum Guaranteed Rent per-unit of $513/month) Authority approves rental of a Restricted Unit at a rental rate of only $450 per month, then the Authority will remit Sixty Three Dollars ($63) to Developer for that month (i.e., $513 minus $450).

4. **Rent Refund**. On a monthly, per-unit basis, the Developer will pay the Authority for any rent actually received in excess of the Guaranteed Rent. Such Rent Refund shall equal the difference between the monthly Guaranteed Rent and the actual rent received for a Restricted Unit (e.g., monthly Guaranteed Rent minus actual monthly rent received). For example, if in any month of Year Two (which has a minimum Guaranteed Rent per-unit of $513/month) the Qualified Tenant of a Restricted Unit pays $550 in a monthly rent, then the Developer will refund Thirty-Seven Dollars ($37) to Authority for that month (i.e., $550 minus $513).

5. **Setting Rental Rates.** The Authority shall have the responsibility of setting the initial rental rates for new tenants, which rates shall be set in accordance with the affordable rent appropriate to the available Restricted Unit. Monthly rent levels for each Qualified Tenant of a Restricted Unit will be set at levels affordable to the tenant's household income qualifications, as detailed in the Lease/Regulatory Agreement. Those tenants who are currently living in Phase I units as of the commencement of the 55-Year Affordability Period shall not be subject to any rent increases except as expressly permitted and approved by the Authority in writing. For those units that are vacant as of the commencement of the 55-Year Affordability Period (i.e., Phase II units and any new vacancies of other Restricted Units), such vacancies shall be rented to Qualified Tenants at the following affordable rent rates:

a. Affordable Moderate Income Rent. For those Restricted Units designated for moderate income households, rent shall not annually exceed the maximum percentage of income that can be devoted to rent as set forth by Health & Safety Code Section 50053, or its successor, which is currently Thirty Percent (30%) of One Hundred and Ten Percent (110%) of the Los Angeles County median income adjusted for the family size appropriate for the unit (or, it shall be optional for the Authority to require that moderate affordable rent be established at a level not to exceed 30 percent of gross income of the household).

b. Affordable Low Income Rent. For those Restricted Units designated for low income households, rent shall not annually exceed the maximum percentage of income that can be devoted to rent as set forth by Health & Safety Code Section 50053, or its successor, which is currently Thirty

Percent (30%) of Sixty Percent (60%) of the Los Angeles County median income adjusted for the family size appropriate for the unit.

c. Affordable Very Low Income Rent. For those Restricted Units designated for very low income households, rent shall not annually exceed the maximum percentage of income that can be devoted to rent as set forth by Health & Safety Code Section 50053, or its successor, which is currently Thirty Percent (30%) of Fifty Percent (50%) of the Los Angeles County median income adjusted for the family size appropriate for the unit.

d. Affordable Extremely Low Income Rent. For those Restricted Units designated for extremely low income households, rent shall not annually exceed the maximum percentage of income that can be devoted to rent as set forth by Health & Safety Code Section 50053, or its successor, which is currently Thirty Percent (30%) of Thirty Percent (30%) of the Los Angeles County median income adjusted for the family size appropriate for the unit.

6. **Payments**. The Authority shall pay any Rent Subsidies owing for the reported month in a Monthly Rent Report within thirty (30) days of receiving such Report. The Authority shall pay any Rent Refund owing for the reported month in a Monthly Rent Report within thirty (30) days of submitting such Report to the Authority.

7. **Amendments; Default**. As of the Effective Date of this Agreement, the parties are unable to estimate or predict with certainty the exact level of property taxes that will be applicable to the Site throughout the 55-Year Affordability Period. Therefore, the parties acknowledge and accept that the calculations in Exhibit "H" may be amended or adjusted mutually by the Authority and Developer as needed to reflect the actual amounts of property taxes applicable to the Site throughout the 55-Year Affordability Period.

Notwithstanding the foregoing or any other provision of this Agreement, any amendments or adjustments to Exhibit "H" that alter the amount of Rent Subsidy or Rent Refund to be paid must be in writing and signed by the appropriate authorities of Agency, Authority and Developer. Any purported adjustments to Exhibit "H" not so memorialized in mutually-signed agreement shall be void *ab initio*. If Developer commits an uncured default resulting in termination of this Agreement and/or the Lease/Regulatory Agreement, the Authority shall have the immediate right to cease any and all Rent Subsidy payments effective as of the date the breach becomes an uncured default under Section 901.

VIII. (§800) SPECIAL PROVISIONS

A. (§801) Compliance with Authority's Las Casitas Housing Guidelines.

In addition to the provisions of this Agreement and the Lease/Regulatory Agreement, Developer agrees to abide by the Authority's duly-adopted "Las Casitas Housing Guidelines" ("**Guidelines**") as such Guidelines may be amended by the Authority from time to time. A true

and correct copy of the Guidelines as in effect as of the Effective Date of this Agreement are attached hereto as Exhibit "K". The Authority shall notify Developer in writing of any proposed, substantive amendments to the Guidelines.

IX. (§900) DEFAULTS, REMEDIES AND TERMINATION

A. (§901) Defaults, Right to Cure and Waivers.

Subject to any Enforced Delay, failure or delay by either party to timely perform any covenant of this Agreement constitutes a default under this Agreement, but only if the party who so fails or delays does not commence to cure, correct or remedy such failure or delay within thirty (30) days after receipt of a written notice specifying such failure or delay, and does not thereafter prosecute such cure, correction or remedy with diligence to completion.

The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Except as required to protect against further damages, the injured party may not institute proceedings against the party in default until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

Except as otherwise provided in this Agreement, waiver by either party of the performance of any covenant, condition, or promise, shall not invalidate this Agreement, nor shall it be considered a waiver of any other covenant, condition, or promise. Waiver by either party of the time for performing any act shall not constitute a waiver of time for performing any other act or an identical act required to be performed at a later time. The delay or forbearance by either party in exercising any remedy or right as to any default shall not operate as a waiver of any default or of any rights or remedies or to deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

B. (§902) Legal Actions.

a. **Institution of Legal Actions.** In addition to any other rights or remedies, and subject to the requirements of Section 901, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Legal actions must be instituted and maintained in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court in that county, or in the Federal District Court in the Central District of California.

b. **Applicable Law and Forum.** The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

c. **Acceptance of Service of Process.** In the event that any legal action is commenced by Developer against Agency or Authority, service of process

on Agency or Authority shall be made by personal service upon the Executive Director or Secretary of Agency or Authority, as applicable, or in such other manner as may be provided by law.

In the event that any legal action is commenced by Agency/Authority against Developer, service of process on Developer shall be made in such manner as may be provided by law and shall be valid whether made within or without the State of California.

C. (§903) Rights and Remedies are Cumulative.

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of its rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

D. (§904) Specific Performance.

In addition to any other remedies permitted by this Agreement, if either party defaults hereunder by failing to perform any of its obligations herein, each party agrees that the other shall be entitled to the judicial remedy of specific performance, and each party agrees (subject to its reserved right to contest whether in fact a default does exist) not to challenge or contest the appropriateness of such remedy. In this regard, Developer specifically acknowledges that Agency is entering into this Agreement for the purpose of assisting in the redevelopment of the Site and not for the purpose of enabling Developer to speculate with land.

E. (§905) Right of Reverter.

The Authority shall have the right, at its option, to reenter and re-take possession of the Site or any portion thereof (thus cancelling the Lease/Regulatory Agreement) with all improvements thereon and to terminate and revest in the Authority the estate conveyed to the Developer, if after the Commencement of Tenancy, the Developer (or his successors in interest) shall:

a. Fail to commence construction of Project improvements as required by this Agreement, if such failure is in violation of the Schedule of Performance, for a period of 90 days after written notice to proceed from the Authority, provided that the Developer shall not have obtained an extension or postponement to which the Developer may be entitled pursuant to this Agreement; or

b. Abandon or substantially suspend construction of the improvements for a period of 90 days after written notice of such abandonment or suspension from the Agency, provided that the Developer shall not have obtained an extension of time to which the Developer may be entitled pursuant to this Agreement; or

c. Assign or attempt to assign this Agreement, or any rights herein, or transfer, or suffer any involuntary transfer of, the Site, or any part thereof, in violation of this Agreement, and such violation shall not be cured within one hundred twenty (120) days after the date of receipt of written notice thereof by the Agency or Authority to the Developer.

d. Developer fails to maintain the use of the Site in accordance with the Lease/Regulatory Agreement.

The right to re-enter, repossess, terminate, and revest shall be subject to and be limited by and shall not defeat, render invalid, or limit:

1. Any mortgage, deed of trust, or other security interests permitted by this Agreement; or

2. Any rights or interests provided in this Agreement for the protection of the holders of such mortgages, deeds of trust, or other security interests.

Upon the revesting in the Authority possession of the Site, or any part thereof, as provided in this Section 905, the Authority shall, pursuant to its responsibilities under state law, use its best efforts to release, or resell the Site, as the case may be, or any part thereof, as soon and in such manner as the Authority shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan to a qualified and responsible party or parties (as determined by the Authority), who will assume the obligation of making or completing the improvements, or such other improvements in their stead, as shall be satisfactory to the Authority and in accordance with the uses specified for the Site, or any part thereof, in the Redevelopment Plan.

F. (§906) Attorney's Fees.

If any party to this Agreement is required to initiate or defend any action or proceeding in any way arising out of the parties' agreement to, or performance of, this Agreement, or is made a party to any such action or proceeding by a third party, such that the parties hereto are adversarial, the prevailing party, as between the Developer and Agency/Authority only, in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees from the other. As used herein, the "prevailing party" shall be the party determined as such by a court of law, pursuant to the definition Code of Civil Procedure Section 1032(a)(4), as it may be subsequently amended. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

X. (§1000) GENERAL PROVISIONS

A. (§1001) Notices, Demands and Communications Between the Parties.

Except as expressly provided to the contrary herein, any notice, consent, report, demand, document or other such item to be given, delivered, furnished or received hereunder shall be deemed given, delivered, furnished, and received when given in writing and personally delivered to an authorized agent of the applicable party, or upon delivery by the United States Postal Service, first-class registered or certified mail, postage prepaid, return receipt requested, or by a national "overnight courier" such as Federal Express, at the time of delivery shown upon such receipt; or by facsimile, if such facsimile is followed by a notice sent out the same day by mail; in any case, delivered to the address, addresses and persons as each party may from time to time by written notice designate to the other and who initially are:

Agency:	Irwindale Redevelopment Agency 2175 Cherry Avenue Irwindale, CA 90755 Attn: Executive Director
Authority:	Irwindale Housing Authority 2175 Cherry Avenue Irwindale, CA 90755 Attn: Executive Director
Copy to:	Aleshire & Wynder, LLP 18881 Von Karman Avenue, Suite 400 Irvine, CA 92612 Attn: Fred Galante, Esq.
Developer:	The Northridge Group, Inc. 798 Pine Knot Ave., P.O. Box 134401, Big Bear Lake, CA 92315 Attn: William Jahn
Copy to:	Patrick Ragan, Esq. 1881 S. Business Center Dr., Suite 7B San Bernardino, CA 92408

B. (§1002) Nonliability of City, Authority and Agency Officials and Employees; Conflicts of Interest; Commissions.

a. **Personal Liability.** No member, official, employee, agent or contractor of City, Authority or Agency shall be personally liable to Developer in the event of any default or breach by Agency or Authority or for any amount

which may become due to Developer or on any obligations under the terms of the Agreement; provided, it is understood that nothing in this Section 1002 is intended to limit Agency's or Authority's liability.

b. **Financial Interest.** No member, official, employee or agent of City, Authority or Agency shall have any financial interest, direct or indirect, in this Agreement, nor participate in any decision relating to this Agreement which is prohibited by law.

c. **Commissions.** Neither the Agency nor the Authority nor the Developer has retained any broker or finder or has paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement. No party shall be liable for any real estate commissions, brokerage fees or finders fees which may arise from this Agreement, and each party agrees to hold the other harmless from any claim by any broker, agent, or finder retained by such party.

C. (§1003) Enforced Delay: Extension of Times of Performance.

Time is of the essence in the performance of this Agreement.

Notwithstanding the foregoing, in addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots, floods; earthquakes; fires; casualties; supernatural causes; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; subsurface conditions on the Site and unknown soils conditions; governmental restrictions or priority litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts of the other party; acts or the failure to act of a public or governmental agency or entity (except that acts or the failure to act of Agency, Authority or City shall not excuse performance by Agency or Authority unless the act or failure is caused by the acts or omissions of Developer); or any other causes beyond the reasonable control or without the fault of the party claiming an extension of time to perform. In the event of such a delay (herein "Enforced Delay"), the party delayed shall continue to exercise reasonable diligence to minimize the period of the delay. An extension of time for any such cause shall be limited to the period of the enforced delay, and shall commence to run from the time of the commencement of the cause, provided notice by the party claiming such extension is sent to the other party within ten (10) days of the commencement of the cause.

The following shall not be considered as events or causes beyond the control of Developer, and shall not entitle Developer to an extension of time to perform: (i) Developer's failure to obtain financing for the Project, and (ii) Developer's failure to negotiate agreements with prospective users for the Project or the alleged absence of favorable market conditions for such uses.

Times of performance under this Agreement may also be extended by mutual written agreement by Agency, Authority and Developer. The Executive Directors of Agency and Authority shall have the authority on behalf of Agency and Authority, respectively, to approve extensions of time not to exceed a cumulative total of one hundred eighty (180) days with respect to the development of the Site.

D. (§1004) Books and Records.

a. **Developer to Keep Records.** Developer shall prepare and maintain all books, records and reports necessary to substantiate Developer's compliance with the terms of this Agreement or reasonably required by the Agency.

b. **Right to Inspect.** Either party shall have the right, upon not less than seventy-two (72) hours notice, at all reasonable times, to inspect the books and records of the other party pertaining to the Site as pertinent to the purposes of this Agreement.

c. **Ownership of Documents.** Copies of all drawings, specifications, reports, records, documents and other materials prepared by Developer, its employees, agents and subcontractors, in the performance of this Agreement, which documents are in the possession of Developer and are not confidential shall be delivered to Agency upon request in the event of a termination of this Agreement, and Developer shall have no claim for additional compensation as a result of the exercise by Agency of its rights hereunder; provided that drawings, specifications, reports, records, documents and other materials prepared by Developer's subcontractors shall be delivered without representation or warranty by Developer. The Agency shall have an unrestricted right to use such documents and materials as if it were in all respects the owner of the same. Developer makes no warranty or representation regarding the accuracy or sufficiency of such documents for any future use by Agency, and Developer shall have no liability therefor.

E. (§1005) Assurances to Act in Good Faith.

Agency, Authority and Developer agree to execute all documents and instruments and to take all action, including deposit of funds in addition to such funds as may be specifically provided for herein, and as may be required in order to consummate conveyance and development of the Site as herein contemplated, and shall use their best efforts, to accomplish the closing and subsequent development of the Site in accordance with the provisions hereof. Agency, Authority and Developer shall each diligently and in good faith pursue the satisfaction of any conditions or contingencies subject to their approval.

F. (§1006) **Interpretation.**

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only, and shall not be construed to limit or extend the meaning of this Agreement. This Agreement includes all attachments attached hereto, which are by this reference incorporated in this Agreement in their entirety. This Agreement also includes the Redevelopment Plan and any other documents incorporated herein by reference, as though fully set forth herein.

G. (§1007) **Entire Agreement, Waivers and Amendments.**

This Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and this Agreement supersedes all negotiations and previous agreements between the parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement, unless specified otherwise herein, must be in writing and signed by the appropriate authorities of Agency, Authority or Developer, as applicable, and all amendments hereto must be in writing and signed by the appropriate authorities of Agency, Authority and Developer.

H. (§1008) **Severability.**

In the event any term, covenant, condition, provision or agreement contained herein is held to be invalid, void or otherwise unenforceable, by any court of competent jurisdiction, such holding shall in no way affect the validity or enforceability of any term, covenant, condition, provision or agreement contained herein.

I. (§1009) **Effect of Redevelopment Plan Amendment.**

Pursuant to the provisions of the Redevelopment Plan for modification or amendment thereof, Agency agrees that no further amendment to the Redevelopment Plan which changes the uses or development permitted on the Site, or changes the restrictions or controls that apply to the Site, or otherwise affects the Site, shall be made or become effective as to the Site without the prior written consent of Developer. Further amendments to the Redevelopment Plan applying to other property in the Project Area shall not require the consent of Developer.

J. (§1010) **Time for Acceptance of Agreement by Agency.**

This Agreement, when executed by Developer and delivered to Agency, must be authorized, executed and delivered by Agency, not later than the time set forth in the Schedule of Performance or this instrument shall be void, except to the extent that Developer shall consent in writing to further extensions of time for the authorization, execution, and delivery of this Agreement. After execution by Developer, this Agreement shall be considered an irrevocable offer until such time as such offer shall become void due to the failure of the Agency to authorize, execute and deliver the Agreement in accordance with this Section.

K. (§1011) **Execution.**

a. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

b. Agency represents and warrants that: (i) it is a Redevelopment Agency duly organized and existing under the laws of the State of California; (ii) by proper action of Agency, Agency has been duly authorized to execute and deliver this Agreement, acting by and through its duly authorized officers; and (iii) the entering into this Agreement by Agency does not violate any provision of any other agreement to which Agency is a party.

c. Authority represents and warrants that: (i) it is a Housing Authority duly organized and existing under the laws of the State of California; (ii) by proper action of Authority, Authority has been duly authorized to execute and deliver this Agreement, acting by and through its duly authorized officers; and (iii) the entering into this Agreement by Authority does not violate any provision of any other agreement to which Authority is a party.

d. Developer represents and warrants that: (i) it is duly organized and existing under the laws of the State of California; (ii) by proper action of Developer, Developer has been duly authorized to execute and deliver this Agreement, acting by and through its duly authorized officers; and (iii) the entering into this Agreement by Developer does not violate any provision of any other agreement to which Developer is a party.

[End -- Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date of execution by the Agency.

"AGENCY"
IRWINDALE REDEVELOPMENT AGENCY,
a public body corporate and politic

Date 03.23.11

Chair

ATTEST:

Agency Secretary
Assistant

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Fred Galante, Agency Counsel

"AUTHORITY"
IRWINDALE HOUSING AUTHORITY,
a public agency

Date 03.23.11

Chair

ATTEST:

Agency Secretary
Assistant

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Fred Galante, Authority Counsel

"DEVELOPER"
THE NORTHRIDGE GROUP, INC., a California corporation

Date: March 19th, 2011

W.E. Jahn, Executive Vice President

Date: _____

Alex Blanco, CFO
AKA ALEJANDRO BLANCO

[End of Signatures]

STATE OF CALIFORNIA)
) ss.
COUNTY OF XX)
San Bernardino

On INSERT 3-19, 2011, before me, Fawnya Ramirez, a Notary Public, personally appeared William E. Jahn, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Fawnya Ramirez (Seal)

FAWNYA RAMIREZ
Commission # 1911802
Notary Public - California
San Bernardino County
My Comm. Expires Nov 2, 2014

STATE OF CALIFORNIA)
) ss.
COUNTY OF XX)

On INSERT MAR 21, 2011, before me, CINDY L. BOULWARE, a Notary Public, personally appeared ALEJANDRO BLANCO, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.

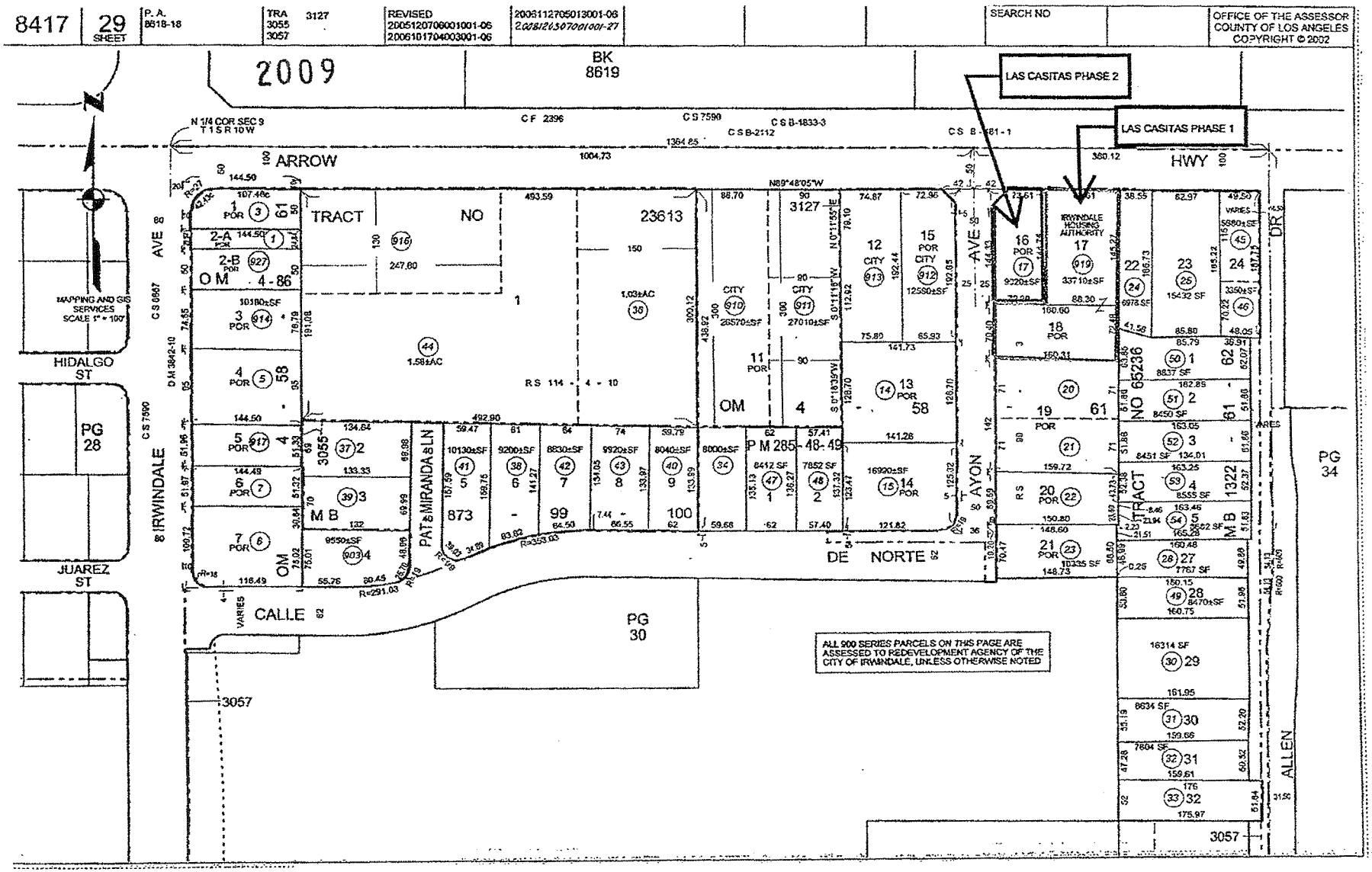
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Cindy L. Boulware (Seal)

CINDY L. BOULWARE
Commission # 1906109
Notary Public - California
San Bernardino County
My Comm. Expires Oct 28, 2014

EXHIBIT "A"
PARCEL I MAP AND DESCRIPTION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IRWINDALE HOUSING AUTHORITY
CITY
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TRACT 1322
ALL 900 SERIES PARCELS ON THIS PAGE ARE ASSESSED TO REDEVELOPMENT AGENCY OF THE CITY OF IRWINDALE, UNLESS OTHERWISE NOTED
3057

LEGAL DESCRIPTION

PARCEL 1:

That portion of the West half of the Northeast Quarter of Section 9, Township 1 South, Range 10 West, in the City of Irwindale, according to the Official Plat of said land filed in the District Land Office April 21, 1877 described as follows:

Beginning at a point in the North line of said Section 9, distant Easterly thereon 1102.10 feet from the West line of said Northeast Quarter of said Section, thence continuing along said Northerly line North 89 degrees 48' 05" East 79.60 feet, thence South 0 degrees 40' 25" West 190.09 feet, thence South 89 degrees 00' 07" West 79.30 feet to a point nearing South 0 degrees 43' 02" West 191.74 feet from the point of beginning, thence North 0 degrees 43' 02" East 191.74 feet to the point of beginning.

Excepting from said land the interest in the North 20 feet thereof reserved by A. G. Bottller in deed recorded April 29, 1898, in Book 1220, page 190 of Deeds.

Said land is also known as Parcel 17 of Official Maps, in the City of Irwindale, County of Los Angeles, as per map recorded in Book 4, page(s) 58 to 61, inclusive, of Official Maps, in the Office of the County Recorder of said County.

PARCEL 2:

Parcel 18, in the City of Irwindale, as per Map recorded in Book 4, page(s) 58 to 61, inclusive, of Official Maps, in the Office of the County Recorder of said County.

Said land is also known as a portion of the West half of the Northeast Quarter of Section 9, Township 1 South, Range 10 West, San Bernardino Base and Meridian, in the City of Irwindale, according to the Official Plat of said land filed in the District Land Office April 21, 1877, official records.

95- 934048

PARCEL 3:

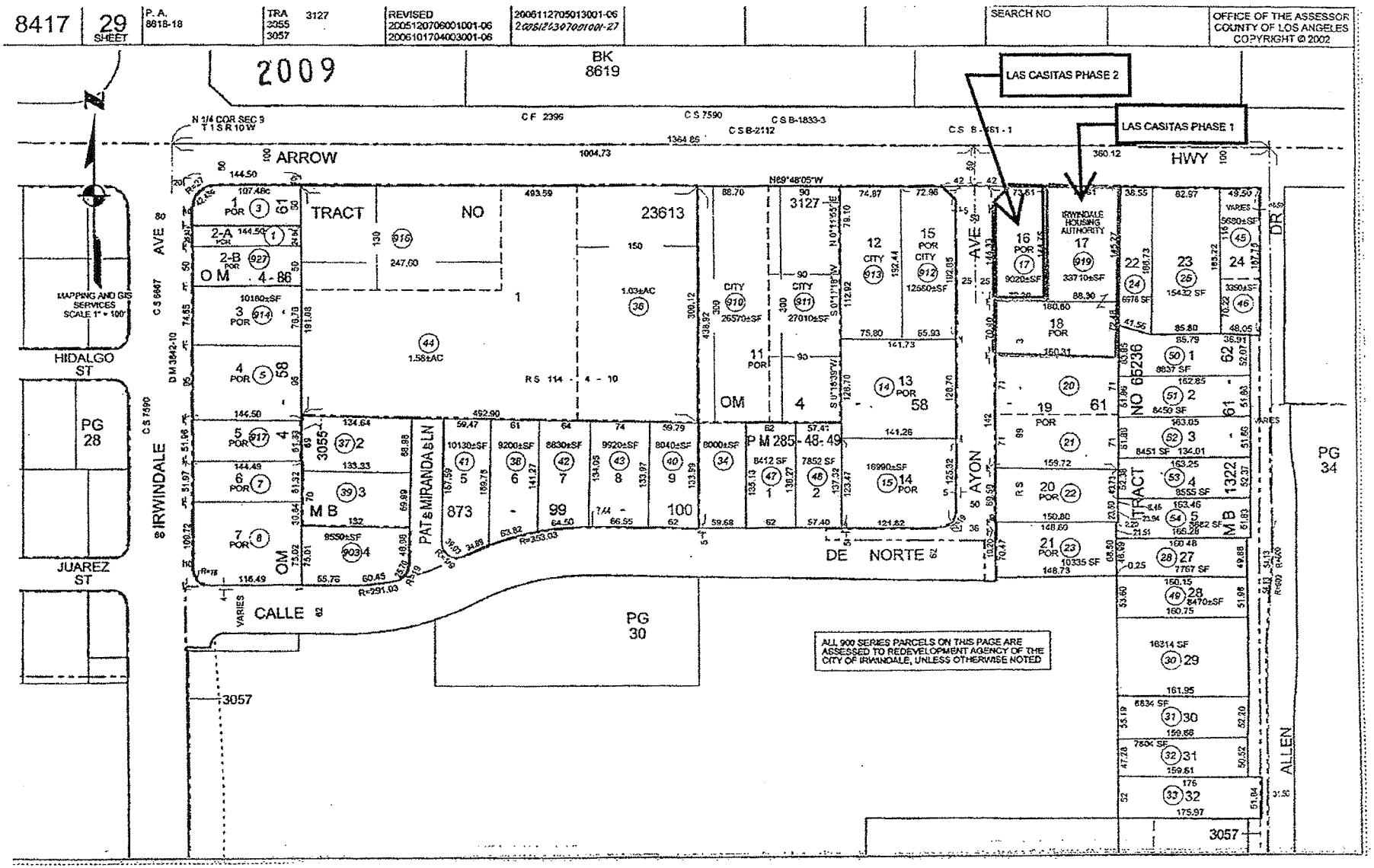
That portion of the West half of the Northeast Quarter of Section 9, Township 1 South, Range 10 West, San Bernardino Base and Meridian, in the City of Irwindale, according to the Official Plat of said land filed in the District Land Office, April 21, 1877, described as follows:

Beginning at a point in the Northerly line of said Section 9, distant Easterly thereon 1007.50 feet from the West line of said Northeast Quarter of said Section; thence Easterly along said Northerly line 94.60 feet; thence South 0° 43' 02" West 191.74 feet; thence South 89° 00' 07" West 94.30 feet to a point bearing South 0° 37' 40" West from the point of beginning; thence North 0° 37' 40" East 193.73 feet to the point of beginning.

Portion of said land is also known as Parcel 16 of Official Maps, in the City of Irwindale, County of Los Angeles, as per map recorded in Book 4, pages 58-61, inclusive, of Official Maps, in the Office of the County Recorder of said County.

95- 934048

EXHIBIT "B"
PARCEL II MAP AND DESCRIPTION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LAS CASITAS PHASE 2
LAS CASITAS PHASE 1
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C S 7590
C S B-1833-3
C S B-2112
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DE NORTE
TAYON
IRWINDALE
HIDALGO ST
JUAREZ ST
CALLE
ALLEN
DR
MAPPING AND GIS SERVICES
SCALE 1" = 100'
PG 28
PG 30
PG 34
IRWINDALE HOUSING AUTHORITY
CITY
ALL 900 SERIES PARCELS ON THIS PAGE ARE ASSESSED TO REDEVELOPMENT AGENCY OF THE CITY OF IRWINDALE, UNLESS OTHERWISE NOTED
3057

Real property in the City of Irwindale, County of Los Angeles, State of California, described as follows:

THAT PORTION OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 1 SOUTH, RANGE 10 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF IRWINDALE, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE, APRIL 21, 1877, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF SAID SECTION 9, DISTANT EASTERLY THEREON 1007.50 FEET FROM THE WEST LINE OF SAID NORTHEAST QUARTER OF SAID SECTION; THENCE EASTERLY ALONG SAID NORTHERLY LINE 94.60 FEET; THENCE SOUTH 0° 43' 02" WEST 191.74 FEET; THENCE SOUTH 89° 00' 07" WEST 94.30 FEET TO A POINT BEARING SOUTH 0° 37' 40" WEST FROM THE POINT OF BEGINNING; THENCE NORTH 0° 37' 40" EAST 193.73 FEET TO THE POINT OF BEGINNING.

PORTION OF SAID LAND IS ALSO KNOWN AS PARCEL 16 OF OFFICIAL MAPS, IN THE CITY OF IRWINDALE, COUNTY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 4, PAGES 58-61, INCLUSIVE, OF OFFICIAL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8417-029-017

EXHIBIT "C"
LAS CASITAS II DDA
SCOPE OF WORK, SCHEDULE OF PERFORMANCE & PROJECT BUDGET

Las Casitas Senior Housing Project, Phase II
Development Budget

Updated on : November 29, 2010		Amount	Total per group
Pre-Development Costs			
1	Engineer Plans	$ 60,000	
11	Field Engineering/Staking	13,000	
10	Insurance, Liability and Course of Constr	20,000	
3	Soils Testing & Reports	7,500	
4	Landscaping Plans	22,000	
2	Architectural Plans & Specs.	70,000	
5	Building Fees & Permits	120,000	
	Total Pre-Development Costs		**$ 312,500**
Hard Construcgtion Costs			
11	Demolition of existing structure	$ 35,000	
12	Excavation/Rough Grading	30,000	
13	Sewer & Water Systems	35,000	
14	Cable Undergrounding	23,000	
21	Concrete Foundations & Slabs	38,000	
23	Rough Carpentry	87,500	
24	Rough Lumber	87,500	
25	Rough Hardware	8,000	
26	Rough Plumbing	36,000	
27	Rough Electrical	18,000	
28	Finish Carpentry, Labor & Materials	41,000	
30	Stairways & Wrought Iron Railings	12,000	
31	Finish Plumbing, including fixtures	15,000	
33	H. V. A. C.	34,400	
34	Waterproofing, second floor	15,000	
35	Insulation	12,000	
35	Tile Roofing	32,000	
36	Sheet Metal	3,000	
37	Weatherstripping	1,200	
38	Lightweight Concrete	10,000	
39	Windows and Sliding Doors	12,000	
40	Mirrors	900	
41	Stucco	45,000	
42	Drywall	36,700	
43	Counter Tops	12,000	
44	Exterior/Interior Painting	23,000	

Las Casitas Senior Housing Project, Phase II
Development Budget (Continued)

Updated on : November 29, 2010		Amount	
45	Fire Extinguishers	$ 800	
46	Kitchen Appliances	10,000	
47	Cabinets	18,200	
48	Carpeting/Hard surfaces	15,000	
49	Drapes/Blinds	7,500	
50	Fire Protection Systems	18,500	
52	Emergency Call System	12,000	
53	Finish Electrical	6,000	
19	Interior Lighting	9,500	
54	Cleaning & Hauling	10,000	
15	Finish Grading	10,000	
20	Landscaping	26,400	
16	Parking Lot	22,000	
17	Gazebo	12,000	
18	Curbs/Gutters/Sidewalks	10,000	
19	Exterior Lighting	9,000	
29	Ornamental Iron	15,100	
22	Masonry -site block wall-	22,000	
32	Water Fountain	5,000	
	Total Hard Construction Costs		**$ 942,200**
Soft Construction Costs			
7	Temporary Office/Utilities	$ 20,000	
8	Legal & Accounting	15,000	
9	Security Fencing/Lighting	5,000	
6	Rent-Up Expenses	5,000	
55	Supervision	62,000	
56	General Labor	10,000	
58	Overhead	51,100	
59	Profit	75,700	
57	Contingencies	40,000	
	Total Soft Construction Costs		**$ 283,800**
	Total Development Costs for Phase II		**$ 1,538,500**

LAS CASITAS SENIOR HOUSING PROJECT
Construction Budget for Upgrades & Blending of Phase I

Updated on November 29, 2010

		Amount
Pre-Development Costs		
Architectural/Structural Engineering and Permits		$ 21,000
Hard Construction Costs		
Instal Cover on existing patio		13,000
Construct a second patio at Club House with cover		27,000
Upgrade club house and apartment windows to		
energy efficient dual pane		32,000
Install landscape lighting on Phase I		4,000
Install Parking Lot lighting		18,000
Install energy efficiency solar pannels for club house		
and common area lighting		40,000
Fog stucco Phase I to match Phase II units		12,500
Install nonslip surface on all walkways for Phase I		19,500
Install cover over Trash enclosure, Phase I		8,000
Install secondary Emergency Call System pannel for		
all 26 apartments in Resident Manager's Unit		3,500
Upgrade Club House HVAC system to be energy efficient units		9,000
Reseal and Strip Phase I Parking Lot to match Phase II		3,500
Install energy efficient LED Lighting System for Club House		
common areas		7,500
Total Hard Cosntruction Costs		$ 197,500
Soft Construction Costs		
Construction Supervision & Labor		10,000
Contractor's Overhead		7,600
Contractor's Profits		12,900
Total Soft Construction Costs		$ 30,500
Total Budget for Upgrades/Blending in Phase I		$ 249,000

ESTIMATED DEVELOPMENT COSTS - PHASE II
LAS CASITAS SENIOR APARTMENTS
CITY OF IRWINDALE

	Totals	Per Unit	Notes (3)
I. Direct Costs (1)			
Off-Site Improvements (2)	$0	$0	$0 Per SF Site
On-Site Improvements/Landscaping	$130,100	$13,010	$14 Per SF Site
Parking - Surface	$0	$0	Included above
Shell Construction	$812,100	$81,210	$119 Per SF GBA
Amenities/FF&E	$0	$0	Allowance
General Contractor Overhead and Profit	$126,800	$12,680	13.5% of Directs
Contingency	$40,000	$4,000	4.2% of Directs
Total Direct Costs	$1,109,000	$110,900	$163 Per SF GBA
II. Indirect Costs			
Architecture & Engineering	$172,500	$17,250	15.6% of Directs
Permits & Fees (2)	$120,000	$12,000	$18 Per SF GBA
Other Indirect Costs	$137,000	$13,700	12.4% of Directs
Total Indirect Costs	$429,500	$42,950	38.7% of Directs
III. Financing Costs	$0	$0	0.0% of Directs
IV. Total Development Costs - Phase II	**$1,538,500**	**$153,850**	**$226 Per SF GBA**
Or Say (Rounded)	**$1,539,000**		
V. Add: Upgrades and Blending with Phase I	$249,000	$24,900	$20 Per SF GBA - Phase I
VI. Grand Total Development Costs	**$1,787,500**	**$178,750**	**$262 Per SF GBA**

(1) Does not include the payment of prevailing wages.
(2) Estimated allowance; not verified by KMA.
(3) Unless otherwise noted, reflect costs for Phase II only.

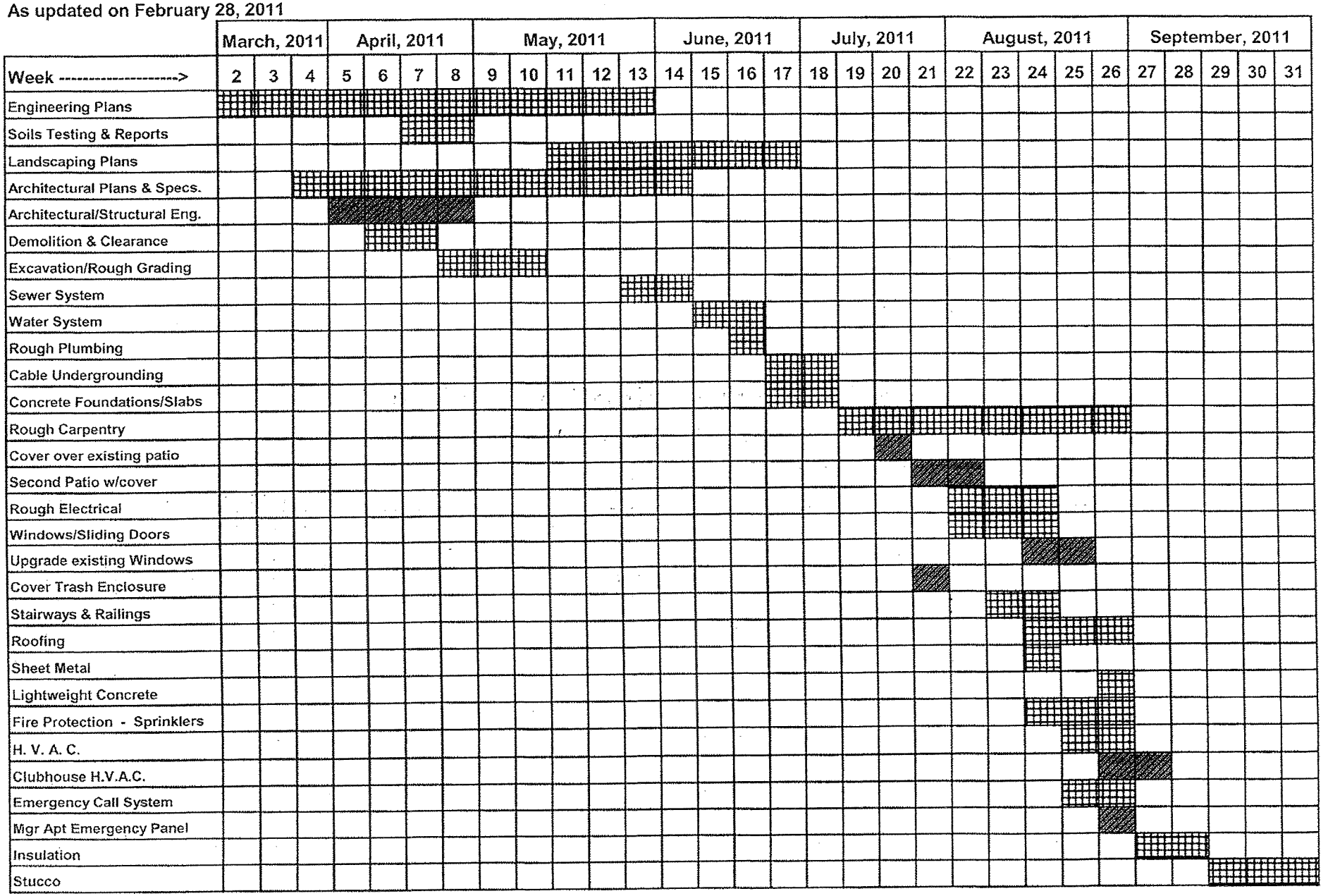
Prepared by: Keyser Marston Associates, Inc.
Filename: Irwindale\Las Casitas Pro Forma_v3_33433 Report;3/1/2011;rks

Las Casitas Senior Housing Project

Performance Schedule

Phase I Upgrades & Phase II Construction

As updated on February 28, 2011



Las Casitas Senior Housing Project Phase II

Performance Schedule

Phase I Upgrades & Phase II Construction

As updated on February 28, 2011

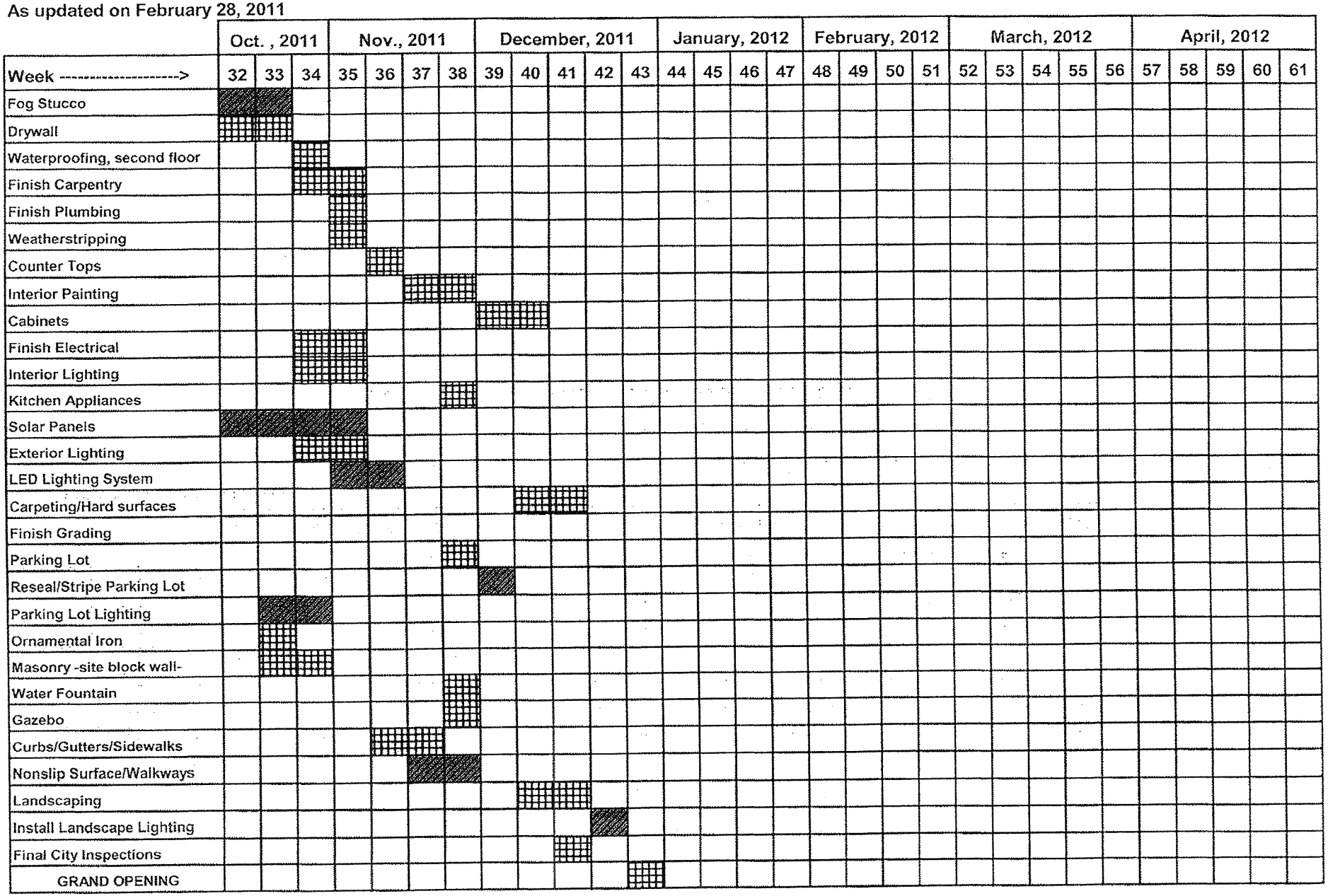
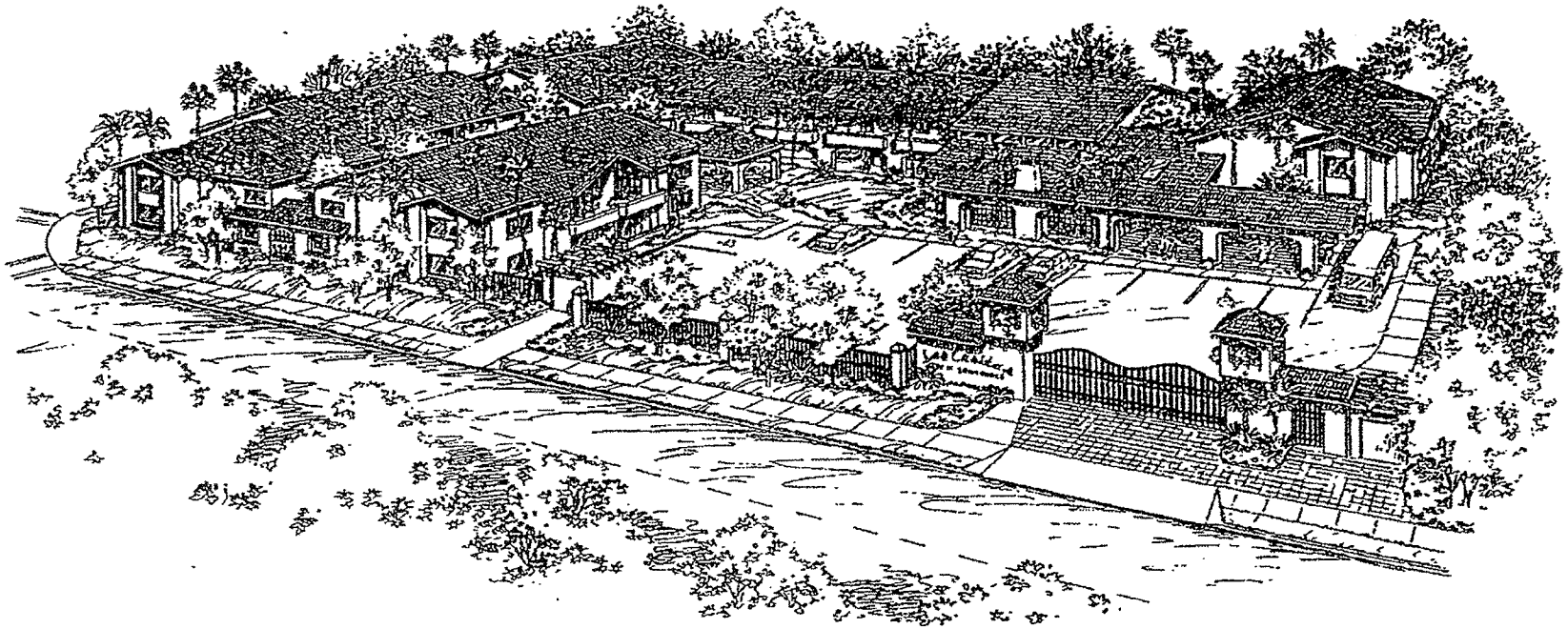


EXHIBIT "D"
LAS CASITAS II DDA
CONCEPTUAL PLANS



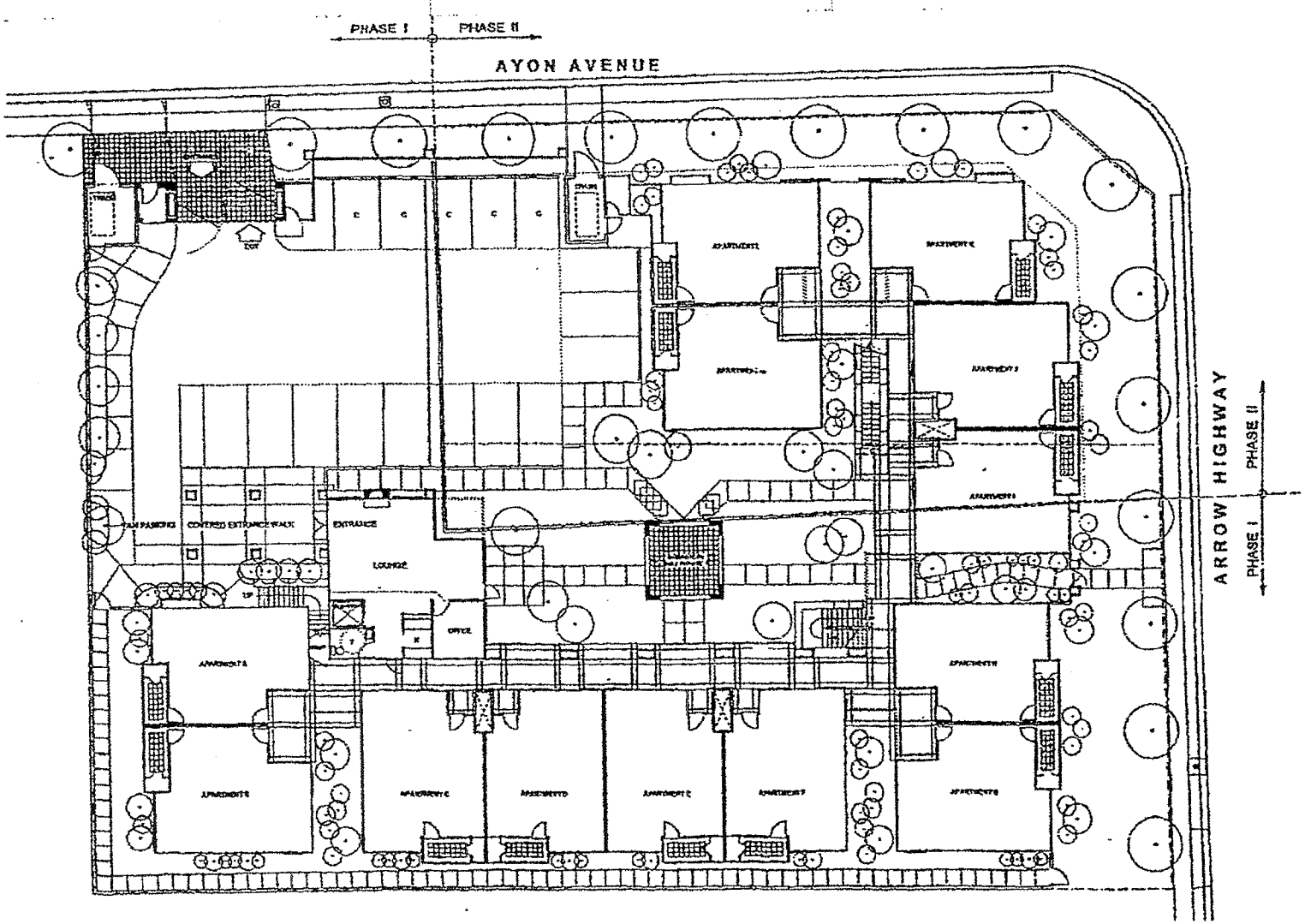

PHASE I
PHASE II
AYON AVENUE
ARROW HIGHWAY
PHASE II
PHASE I
ENTRANCE
LOUNGE
OFFICE

EXHIBIT "E"
LAS CASITAS II DDA
QUITCLAIM DEED

FREE RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:

Irwindale Housing Authority
2175 Cherry Avenue
Irwindale, CA 90755
Attn: Executive Director

(Space Above This Line For Recorder's Office Use Only)

QUITCLAIM DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the IRWINDALE COMMUNITY REDEVELOPMENT AGENCY, a public body, corporate and politic ("Grantor"), hereby remises, releases and forever quitclaims to THE IRWINDALE HOUSING AUTHORITY, a a public body, corporate and politic ("Grantee"), all of Grantor's right, title and interest in that certain real property located in the City of Irwindale, County of Los Angeles, State of California, described in Exhibit "A" (the "Site") attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized, this _____ day of _____, 2011.

"GRANTOR"
IRWINDALE HOUSING AUTHORITY,
a public body corporate and politic

_____
Chair

ATTEST:

_____
Authority Secretary

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

_____
Fred Galante
Authority Counsel

STATE OF CALIFORNIA)

) ss.

COUNTY OFLOS ANGELES)

On _____, 2011, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"
DESCRIPTION OF SITE

That certain real property located in the City of Irwindale, County of Los Angeles, State of California, more particularly described as:

[To Be Inserted]

Real property in the City of Irwindale, County of Los Angeles, State of California, described as follows:

THAT PORTION OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 1 SOUTH, RANGE 10 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF IRWINDALE, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE, APRIL 21, 1877, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF SAID SECTION 9, DISTANT EASTERLY THEREON 1007.50 FEET FROM THE WEST LINE OF SAID NORTHEAST QUARTER OF SAID SECTION; THENCE EASTERLY ALONG SAID NORTHERLY LINE 94.60 FEET; THENCE SOUTH 0° 43' 02" WEST 191.74 FEET; THENCE SOUTH 89° 00' 07" WEST 94.30 FEET TO A POINT BEARING SOUTH 0° 37' 40" WEST FROM THE POINT OF BEGINNING; THENCE NORTH 0° 37' 40" EAST 193.73 FEET TO THE POINT OF BEGINNING.

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APN: 8417-029-017

EXHIBIT "F"
LAS CASITAS II DDA
LEASE/REGULATORY AGREEMENT

[To Be Inserted]

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Irwindale Housing Authority
2175 Cherry Avenue
Irwindale, CA 90755
Attn: Executive Director

(Space Above This Line for Recorder's Office Use Only)

REGULATORY AGREEMENT AND DECLARATION OF COVENANTS AND RESTRICTIONS

THIS REGULATORY AGREEMENT AND DECLARATION OF COVENANTS AND RESTRICTIONS ("**Agreement**") is made and entered into this ____ day of _____, 2011, by and between the IRWINDALE HOUSING AUTHORITY, a public body, corporate and politic ("**Authority**"), and THE NORTHRIDGE GROUP INC., a California corporation ("**Participant**").

R E C I T A L S :

A. Pursuant to a Disposition and Development Agreement between and among the Irwindale Community Redevelopment Agency ("**Agency**"), Participant and the Authority dated _____, 2011 (the "**DDA**"), Agency/Authority agreed to provide to Participant financial assistance (the "**Agency Assistance**") in the form of (i) a guarantee of minimum rent rates, with possible rent subsidies from the Authority, and (ii) a forgivable loan in an amount not-to-exceed One Million, Seven-Hundred and Eighty-Seven Thousand, Five Hundred Dollars ($1,787,500.00) to be used toward low/moderate income housing, and (iii) a rent write-down in favor of Participant in that the rental amount to be paid by Participant is less than the fair market rental value of the Site. In addition, the DDA provided for certain payments by the Authority to the Participant for the purposes of (i) settling a certain dispute of funds, and (ii) paying for a variety of unanticipated improvements and services; these additional amounts totaled a payment of $310,000 to the Participant (the "**Miscellaneous Payments**"). The Miscellaneous Payments and the Agency Assistance are provided to Participant all for the purpose of assisting Participant with the leasing and development of the Senior affordable apartment complex commonly known as "**Las Casitas**". Such development consists of the expansion of an existing 16-unit Senior apartment complex into a total of 26 residential rental units that, with the exception of one unrestricted manager's unit, will be available solely for rents affordable to Extremely Low, Very Low, Low, and Moderate Income Senior households for the next 55 years (the "**Project**").

B. The Las Casitas Senior housing Project consists of two separate parcels:

(i) The parcel underlying the first phase of the Las Casitas project is located at 5164 Ayon Street, Irwindale, California, bearing Los Angeles County APN #8417-029-919 ("**Parcel I**"), which Parcel I is legally described and depicted in Exhibit "A" hereto. Parcel I consists of approximately .77 acres. Parcel I has been, and currently is, occupied by Senior Citizen tenants (the "**Preexisting Tenants**").

(ii) The parcel underlying the second phase of the Las Casitas project is located directly adjacent to Parcel I at 16140 Arrow Highway, Irwindale, California, bearing Los Angeles County APN #8417-029-917 (**"Parcel II"**), which Parcel II is legally described and depicted in Exhibit "B" hereto. Parcel II consists of approximately .21 acres.

C. Parcel I and Parcel II are collectively referred to as the **"Site"** in this Agreement. In order to consolidate Parcel I and Parcel II into a single Site, the Authority has undertaken the processing of a lot line adjustment pursuant to Chapter 16.22 of the Irwindale Municipal Code. A legal description of the entire Site as merged through the Parcel Merger is attached hereto as Exhibit "C". The Site is owned by the Authority in fee. Participant's occupation of the Site for purposes of Project construction, operation and management shall be undertaken pursuant to the lease provisions contained in Article B of this Agreement. Therefore, this Agreement serves as both the lease agreement between Participant and Authority for Participant's occupation of the Site and as the low-income housing regulatory agreement required by the DDA.

D. That portion of Agency Assistance consisting of a forgivable loan provided to Participant is to be used by Participant solely for Project construction. Payment of Agency Assistance shall be (or was) disbursed to Participant commensurate with Project construction progress. Therefore, pursuant to the DDA, Participant has agreed to develop, construct, and maintain a rental apartment housing project consisting of a maximum of twenty-six (26) total residential units (including one (1) Qualified Manager's unit) on the Site. The Project is also referred to in the DDA as the "Project." The Project will provide the following number of income-restricted units (**"Restricted Units"**) by income category:

(i) Up to nine (9) of the Restricted Units shall be restricted rental to Extremely Low Income Senior households.

(ii) Up to six (6) of the Restricted Units shall be restricted rental to Very Low Income Senior households.

(iii) Up to five (5) of the Restricted Units shall be restricted to Low Income Senior households.

(iv) Up to five (5) of the Restricted Units shall be restricted to Moderate Income Senior households.

(v) Only one (1) unit will be income unrestricted as the unit reserved for the Qualified Manager (the "Manager Unit").

E. The Agency, Authority and/or the City of Irwindale (**"City"**) have fee or easement interests in various streets, sidewalks and other property within the City and are responsible for the planning and development of land within the City in such a manner so as to provide for the health, safety and welfare of the residents of the City. That portion of the Agency's, Authority's and City's interest in real property most directly benefitted by this Agreement is depicted in Exhibit "D" attached hereto and incorporated herein by reference (**"Public Parcels"**).

F. Authority and Participant now desire to place restrictions upon the use and operation of the Project and Site in order to ensure that the Project and Site shall be operated continuously as a rental apartment housing project available for rental by Extremely Low, Very Low, Low and Moderate Income Senior persons for the 55-year term of this Agreement.

G. It is the intent of the parties that this Agreement shall be recorded in Office of the County Recorder for the County of Los Angeles concurrent with, or shortly after, this Agreement has been signed by the Participant. This Agreement (i) runs with the land, and (ii) shall be binding on the Participant and its successors in interest in the Site for so long as this Agreement shall remain in effect, and (iii) provides for the proper maintenance of the Site and resale restrictions guaranteeing that the Project will be preserved as residential rental units available for rents affordable to Extremely Low, Very Low, Low and Moderate Income Senior households for the period of 55 years.

AGREEMENT:

NOW, THEREFORE, the Participant, Authority, and Agency declare, covenant and agree, by and for themselves, their heirs, executors, administrators and assigns, and all persons claiming under or through them, that the Site shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied, subject to the covenants and restrictions hereinafter set forth, all of which are declared to be in furtherance of a common plan for the improvement and sale of the Site, and are established expressly and exclusively for the use and benefit of the Agency, the Authority, the citizens of the City of Irwindale, and every person renting a dwelling unit on the Site.

A. DEFINITIONS.

The following terms as used in this Agreement shall have the meanings given unless expressly provided to the contrary:

1. Affordable Rent. The term "Affordable Rent" shall refer to, collectively, a rental level that is appropriate to a specified category of household income. For purposes of this Agreement, the term "Affordable Rent" or "affordable" with respect to each household income category shall means as follows:

a. *Affordable Moderate Income Rent.* For those Restricted Units designated for moderate income households, rent shall not annually exceed the maximum percentage of income that can be devoted to rent as set forth by Health & Safety Code Section 50053, or its successor, which is currently Thirty Percent (30%) of One Hundred and Ten Percent (110%) of the Los Angeles County median income adjusted for the family size appropriate for the unit (or, it shall be optional for the Authority to require that moderate affordable rent be established at a level not to exceed 30 percent of gross income of the household).

b. *Affordable Low Income Rent.* For those Restricted Units designated for low income households, rent shall not annually exceed the maximum percentage of income that can be devoted to rent as set forth by Health & Safety Code Section 50053, or its

successor, which is currently Thirty Percent (30%) of Sixty Percent (60%) of the Los Angeles County median income adjusted for the family size appropriate for the unit.

c. *Affordable Very Low Income Rent.* For those Restricted Units designated for very low income households, rent shall not annually exceed the maximum percentage of income that can be devoted to rent as set forth by Health & Safety Code Section 50053, or its successor, which is currently Thirty Percent (30%) of Fifty Percent (50%) of the Los Angeles County median income adjusted for the family size appropriate for the unit.

d. *Affordable Extremely Low Income Rent.* For those Restricted Units designated for extremely low income households, rent shall not annually exceed the maximum percentage of income that can be devoted to rent as set forth by Health & Safety Code Section 50053, or its successor, which is currently Thirty Percent (30%) of Thirty Percent (30%) of the Los Angeles County median income adjusted for the family size appropriate for the unit.

For all income categories, the calculation of "Affordable Rent" shall include a reasonable allowance (or deduction) for utilities and any service charges or fees that Qualified Households are required to pay. Such allowance for service charges and utilities shall be adjusted for household size and the types of utilities available. The Authority shall have the unilateral right, at its election, to require Participant to use up-to-date utility allowance schedules published by the Los Angeles County Housing Authority.

2. Annual Adjustment. The term "Annual Adjustment" shall mean that 2.5% annual increase in rent chargeable to tenants pursuant to Section D.7 hereof.

3. Extremely Low Income. The terms "Extremely Low" or "Extremely Low Income" shall refer to a household whose annual household income does not exceed Thirty Percent (30%) of the Los Angeles County Median Income for, adjusted for applicable household size, as computed in accordance with the Community Redevelopment Law and the regulations promulgated pursuant thereto or incorporated therein, including, without limitation, all regulations promulgated pursuant to Health and Safety Code § 50093, or any successor statute.

4. Los Angeles County Median Income. The term "Los Angeles County Median Income" shall be determined by reference to the regulations published by the California Department of Housing and Community Development pursuant to Health and Safety Code Section 50093, or its successor.

5. Low Income Tenant. The terms "Low" or "Low Income" shall refer to a household whose annual household income does not exceed Sixty Percent (60%) of the Los Angeles County Median Income for, adjusted for applicable household size, as computed in accordance with the Community Redevelopment Law and the regulations promulgated pursuant thereto or incorporated therein, including, without limitation, all regulations promulgated pursuant to Health and Safety Code § 50093, or any successor statute.

6. Manager's Unit. The term "Manager's Unit" shall mean the one (1) unit on the Site that shall be designated by Participant as a residence for a "Qualified Manager." The Manager's Unit shall not be an income-restricted Unit.

7. Moderate Income Tenant. The terms "Moderate" or "Moderate Income" shall refer to a household whose annual household income does not exceed One Hundred Ten Percent (110%) of the Los Angeles County Median Income for, adjusted for applicable household size, as computed in accordance with the Community Redevelopment Law and the regulations promulgated pursuant thereto or incorporated therein, including, without limitation, all regulations promulgated pursuant to Health and Safety Code § 50093, or any successor statute.

8. Nonconforming Tenant. The term "Nonconforming Tenant" shall mean any of the following: (i) a tenant in a Restricted Unit who qualified as a Qualified Household upon initial occupation of a Restricted Unit, but whose household income subsequently increased such that the household income levels exceed the income restrictions under which the Restricted Unit was initially occupied, or (ii) a Preexisting Tenant who does not qualify as a Qualified Household.

9. Permitted Health Care Resident. As used in this Agreement, the term "Permitted Health Care Resident" shall have the meaning ascribed by Section 51.3(b)(7) of the California Civil Code, as may be amended. Section 51.3(b)(7) currently and substantially provides that a Permitted Health Care Resident is a person who is hired to provide live-in, long-term, or terminal health care to a qualifying resident, or a family member of the qualifying resident providing that care. A Permitted Health Care Resident must be substantial in nature and must provide either assistance with necessary daily activities or medical treatment, or both.

10. Preexisting Tenants. The term "Preexisting Tenants" shall refer to those tenants who were, and are, already occupying Restricted Units upon Parcel I prior to the start of the 55-Year Affordability Period.

11. Qualified Manager. The term "Qualified Manager" shall mean the resident Qualified Manager selected and retained by Participant pursuant to this Agreement. The Qualified Manager shall reside in the "Manager's Unit" designated by Participant. The Manager's Unit shall be restricted to occupancy by the Qualified Manager and his/her household, but shall not be subject to any income restrictions.

12. Qualified Permanent Resident. The term "Qualified Permanent Resident" shall have the meaning ascribed in California Civil Code Section 51.3(b)(2), as may be amended. Section 51.3(b)(2) currently provides that a Qualifying Permanent Resident is a person who meets all of the following requirements:

a. Was residing with the Senior Citizen prior to the death, hospitalization, or other prolonged absence of, or the dissolution of marriage with, the Senior Citizen;

b. Was 45 years of age or older, or was a spouse, cohabitant, or person providing primary physical or economic support to the Senior Citizen; and

c. A disabled person or person with a disabling illness or injury who is a child or grandchild of the Senior Citizen or a Qualified Permanent Resident who needs to live with the Senior Citizen or Qualified Permanent Resident because of the disabling condition, illness, or injury. For purposes of this section, "disabled" means a person who has a disability as defined in subdivision (b) of Civil Code Section 54. A "disabling injury or illness" means an

illness or injury which results in a condition meeting the definition of disability set forth in Civil Code Section 54(b).

d. Has an ownership interest in, or is in expectation of an ownership interest in, the Unit.

13. Qualified Household. The term "Qualified Household" shall refer to individuals or households meeting all of the following criteria:

a. At least one of the residents in the household is a Senior Citizen occupying the Unit as a primary permanent residence; and

b. Every member of the household who is not a Senior Citizen must be a Qualified Permanent Resident, or a Permitted Health Care Resident, or a person otherwise entitled to occupy a Restricted Unit pursuant to the requirements of the Unruh Civil Rights Act as stated in Section D.2 of this Agreement; and

c. The household as a whole qualifies as either an Extremely Low, Very Low, Low, or Moderate Income Tenant.

14. Reserve Fund. The term "Reserve Fund" shall mean that separately-held, non-comingled account to be established by the Participant and held solely for the purposes of Project maintenance, refurbishment, cleaning, etc. The Participant shall place at least $9,000 into the Reserve Fund each year. This amount is reflected in the Financial Analysis attached hereto as Exhibit "E" (the Reserve Fund is denominated as the "Replacement Reserves" in the Financial Analysis).

15. Qualified Manager. The term "Qualified Manager" shall refer to that individual (or those individuals) who may reside in the Project, employed by the Qualified Manager, and who are responsible for day-to-day management of the Project and its Restricted Units.

16. Restricted Unit. The term "Restricted Unit" shall refer to any of the Units reserved for Qualified Households. The Unit for the Qualified Manager shall not be restricted.

17. Senior Citizen. The terms "Senior" or "Senior Citizen" shall mean a person sixty-two (62) years of age or older, as defined in California Civil Code Section 51.3(b)(4).

18. Unit. The term "unit" shall refer to any of the up to twenty-six (26) residential rental units in the Project.

19. Very Low Income Tenant. The terms "Very Low" or "Very Low Income" shall refer to a household whose annual household income does not exceed Fifty Percent (50%) of the Los Angeles County Median Income for, adjusted for applicable household size, as computed in accordance with the Community Redevelopment Law and the regulations promulgated pursuant thereto or incorporated therein, including, without limitation, all regulations promulgated pursuant to Health and Safety Code § 50093, or any successor statute.

20. 55-Year Affordability Period. The term "55-Year Affordability Period" shall mean the length of time (i.e., 55 years) for which Participant must hold the Restricted Units at an Affordable Rent under the terms of this Agreement. The 55-Year Affordability Period shall commence upon the later of either (i) December 1, 2011, or (ii) the opening of Phase II units as available for rent.

B. LEASEHOLD CONVEYANCE OF SITE TO PARTICIPANT.

1. Lease & Use of Site. In order to consolidate Parcel I and Parcel II into a single Site, the Authority has undertaken a lot line adjustment pursuant to Chapter 16.22 of the Irwindale Municipal Code. The result is that consolidated Site legally described in Exhibit "C". Authority hereby leases to Participant, and Participant hereby rents from Authority, all of the Site, including non-exclusive use of all common areas, as specifically described in Exhibit "C" and incorporated herein by this reference. This lease of the Site is made to Participant solely for the purpose of facilitating the Project and maintaining the Site as the "Las Casitas" Senior apartment complex with Units available solely for rents affordable to Extremely Low, Very Low, Low, and Moderate Income Senior households for the duration of the 55-Year Affordability Period. Participant's rights of tenancy are strictly subject to the covenants and terms contained throughout this Agreement and any default of such covenants shall be deemed a default of Participant's tenancy.

2. Term of Tenancy. The "**Commencement of Tenancy**" shall be that date on which all parties execute fully this Agreement. Such Commencement of Tenancy has been accomplished pursuant to the procedures set forth in Section 503 of the DDA. Upon the Commencement of Tenancy, Participant shall take possession of the Site in accordance with the terms and intent of this Agreement. Participant's tenancy in the Site shall expire at the same time as the expiration of the 55-Year Affordability Period.

3. Termination/Replacement of Old Lease and Restrictions.

a. *Historical Background:* The Authority has been the fee owner of Parcel I since 1995. On May 1, 1995, the Authority entered into a lease with Participant (the "**Old Lease**"). The Old Lease required Participant to construct the sixteen Phase I units as low income senior apartment units, which construction was completed in 1996. Under the Old Lease, Participant was designated as the acting manager and operator of the Phase I apartment units for a period of thirty (30) years. The Old Lease also required all Phase I units to remain restricted to low income, senior only residents for a period of thirty (30) years (the "**30-Year Restrictions**").

b. *Termination of Old Lease & Restrictions.* The parties agree to now terminate the Old Lease, terminate the 30-Year Restrictions, and effect this Agreement in their stead. To this end, upon the Commencement of Tenancy, the Old Lease and 30-Year Restrictions shall be terminated with no further force or effect and replaced with this new Agreement.

4. Rent. The rights of tenancy granted to Participant in this Article B are entered into for good and valuable consideration for the period commencing on the Commencement of

Tenancy and ending on the expiration of the 55-Year Affordability Period. Participant shall pay to Authority as and for consideration the yearly rental amount of one dollar ($1.00).

5. Utilities. The Authority shall not be responsible for the payment of any utilities serving the Site other than waste hauling and recycling services. The Authority shall pay all costs for the Site's waste hauling and recycling services. Participant shall either bear the costs of all other utilities (including but not limited to gas, electricity, heat, power, sewer, water, telephone, all associated connection charges, and all similar utility bills taxed, levied, or charged upon the Site) and/or Participant shall ensure that such utilities are separately billed to each Unit for payment by the tenant. Without limiting the generality of the foregoing, Participant shall pay all charges for utilities and services furnished to the Site during the term hereof.

6. Taxes. Participant shall be solely responsible for the real estate taxes that are assessed against the Site or arise because of the occupancy, use, or possession of the Site subsequent to the Commencement of Tenancy, and all installments of assessments that are due during the term of this Agreement as required by law. Participant shall pay such real estate assessments to the public authorities charged with their collection on or before the last day on which payment may be made without penalty or interest.

7. Condition of Site.

a. *Exercise of Feasibility Period.* Pursuant to Section 502 of the DDA, Participant acknowledges that prior to the Commencement of Tenancy, Participant had a sufficient and reasonable period of time from and after entering into the DDA in order to perform its due diligence investigations of the Site (the "**Feasibility Period**") to determine whether (i) the physical condition of Parcel II (e.g., environmental, geotechnical analyses) is suitable for Participant's intended use, (ii) all title and survey matters are acceptable, and (iii) Participant will be able to obtain all necessary approvals, permits and/or consents Participant determines is necessary for the Project. Participant further acknowledges that it has had the opportunity to review matters of title pertaining to the Site to its satisfaction during the Feasibility Period. Participant hereby represents and warrants that it is satisfied with the condition of the Site for all purposes of this Agreement.

b. *AS-IS Condition.* Now, therefore, Participant accepts, acknowledges and agrees that the Site is to be leased to, and accepted by Participant, in an "AS-IS" condition with all faults. Participant has investigated and has knowledge of operative or proposed governmental laws and regulations (including, but not limited to, zoning, environmental and land use laws and regulations) to which the Site is or may be subject and accepts the Site solely upon the basis of its review and determination of the applicability and effect of such laws and regulations. Participant acknowledges that it is entering into this Agreement on the basis of Participant's own investigation of the physical and environmental conditions of the Site, including subsurface conditions, and Participant assumes the risk that adverse physical and environmental conditions may not have been revealed by its own investigation.

c. *Disclaimer of Representations.* Upon taking the tenancy provided by this Agreement, Participant shall be solely responsible for any defects in the Site, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of

the Site, and the existence of any contamination, Hazardous Materials (as hereinafter defined), vaults, debris, pipelines, or other structures located on, under or about the Site, and Authority/Agency make no other representation or warranty concerning the physical, environmental, geotechnical or other condition of the Site, the suitability of the Site for the Project, or the present use of the Site, and Participant specifically disclaims all representations or warranties of any nature concerning the Site made by it, the City, Agency, Authority and their respective employees, agents and representatives except as otherwise provided in this Agreement or the DDA. The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, soil, subsoil, existence of Hazardous Materials or similar substances, the purpose for which the Site is suited, or drainage. Authority/Agency make no representation or warranty concerning the compaction of soil upon the Site, nor of the suitability of the soil for construction.

d. *Hazardous Materials.* Participant understands and agrees that in the event it incurs any loss or liability concerning Hazardous Materials (as hereinafter defined) and/or oil wells and/or underground storage tanks and/or pipelines whether attributable to events occurring prior to or following the Commencement of Tenancy, then Participant may look to current or prior owners of the Site, but under no circumstances shall Participant look to Authority, Agency or the City for any liability or indemnification regarding Hazardous Materials and/or oil wells and/or underground storage tanks and/or pipelines. Participant, and each of the entities constituting Participant, if any, hereby waives, releases, remises, acquits and forever discharges and its officers, employees, and agents of and from any and all Environmental Claims, Environmental Cleanup Liability and Environmental Compliance Costs, as those terms are defined below, and from any and all actions, suits, legal or administrative orders or proceedings, demands, actual damages, punitive damages, loss, costs, liabilities and expenses, which concern or in any way relate to the physical or environmental conditions of the Site, the existence of any Hazardous Material thereon, or the release or threatened release of Hazardous Materials therefrom, whether existing prior to, at or after the Commencement of Tenancy. It is the intention of the Parties pursuant to this release that any and all responsibilities and obligations of Authority, Agency or the City and any and all rights, claims, rights of action, causes of action, demands or legal rights of any kind of Participant, its successors, assigns or any affiliated entity of Participant, arising by virtue of the physical or environmental condition of the Site, the existence of any Hazardous Materials thereon, or any release or threatened release of Hazardous Material therefrom, are by this release provision declared null and void and of no present or future force and effect as to the Parties. In connection therewith, Participant and each of the entities constituting Participant, expressly agree to waive any and all rights which said Party may have under Section 1542 of the California Civil Code which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

PARTICIPANT'S INITIALS: _____ AUTHORITY'S INITIALS: _____

e. *Indemnity.* Participant shall indemnify and hold harmless City, Agency, Authority and their officers, employees, agents and representatives (collectively, the

"**Indemnified Parties**") from and against any and all Environmental Claims, Environmental Cleanup Liability, Environmental Compliance Costs, and any other claims, actions, suits, legal or administrative orders or proceedings, demands or other liabilities resulting at any time from the release or threatened release of any Hazardous Materials of any kind whatsoever, in, on or under the Site at any time during or after the Commencement of Tenancy and whether arising due to construction or thereafter, due to Project operations, and including, but not limited to, all foreseeable and unforeseeable damages, fees, costs, losses and expenses, including any and all attorneys' fees and environmental consultant fees and investigation costs and expenses, directly or indirectly arising therefrom, and including fines and penalties of any nature whatsoever, assessed, levied or asserted against any Indemnified Parties to the extent that the fines and/or penalties are the result of a violation or an alleged violation of any Environmental Law. Participant further agrees that in the event it obtains, from former or present owners of the Site or any other persons or entities, releases from liability, indemnities, or other forms of hold harmless relating to the subject matter of this section, Participant shall use its diligent efforts to obtain for Authority the same releases, indemnities and other comparable provisions.

f. *Definitions*. For purposes of this Section B.7, the following terms shall have the following meanings.

i. "Environmental Claim" means any claim for personal injury, death and/or property damage made, asserted or prosecuted by or on behalf of any third Party, including, without limitation, any governmental entity, relating to the Site or its operations and arising or alleged to arise under any Environmental Law.

ii. "Environmental Cleanup Liability" means any cost or expense of any nature whatsoever incurred to contain, remove, remedy, clean up, or abate any contamination or any Hazardous Materials on or under all or any part of the Site, including the ground water thereunder, including, without limitation, (i) any direct costs or expenses for investigation, study, assessment, legal representation, cost recovery by governmental agencies, or ongoing monitoring in connection therewith and (ii) any cost, expense, loss or damage incurred with respect to the Site or its operation as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, treatment, cleanup or abatement.

iii. "Environmental Compliance Cost" means any cost or expense of any nature whatsoever necessary to enable the Site to comply with all applicable Environmental Laws in effect. "Environmental Compliance Cost" shall include all costs necessary to demonstrate that the Site are capable of such compliance.

iv. "Environmental Law" means any federal, state or local statute, ordinance, rule, regulation, order, consent decree, judgment or common-law doctrine, and provisions and conditions of permits, licenses and other operating authorizations relating to (i) pollution or

protection of the environment, including natural resources, (ii) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities, or (iv) regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal.

v. "Hazardous Material" is defined to include any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is: (i) petroleum or oil or gas or any direct or derivate product or byproduct thereof; (ii) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (iii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (iv) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Sections 25501(j) and (k) and 25501.1 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (v) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (vi) "used oil" as defined under Section 25250.1 of the California Health and Safety Code; (vii) asbestos; (viii) listed under Chapter 11 of Division 4.5 of Title 22 of the California Code of Regulations, or defined as hazardous or extremely hazardous pursuant to Chapter 10 of Division 4.5 of Title 22 of the California Code of Regulations; (ix) defined as waste or a hazardous substance pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (x) designated as a "toxic pollutant" pursuant to the Federal Water Pollution Control Act, 33 U.S.C. Section 1317; (xi) defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.* (42 U.S.C. § 6903); (xii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, *et seq.* (42 U.S.C. § 9601); (xiii) defined as "Hazardous Material" pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, *et seq.*; or (xiv) defined as such or regulated by any "Superfund" or "Superlien" law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree

regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials and/or oil wells and/or underground storage tanks and/or pipelines, as now, or at any time hereafter, in effect.

g. *Participation in Litigation.* Participant agrees to indemnify Authority, Agency and City and its elected boards, commissions, officers, agents and employees and will hold and save them and each of them harmless from any and all actions, suits, claims, liabilities, losses, damages, penalties, obligations and expenses (including but not limited to attorneys' fees and costs) against the City, Agency and/or Authority for any claims or litigation which arise during the term of this Agreement arising from Participant's occupancy of or activities on the Site (**"Claims or Litigation"**). Authority shall promptly provide Participant with notice of the pendency of any such Claims or Litigation and request that Participant defend the same. If Authority fails promptly to notify Participant of any such Claims or Litigation or fails to cooperate fully in the defense thereof, Participant shall not, thereafter, be responsible to defend, indemnify, or hold harmless Authority. Participant may utilize the City Attorneys' office or use legal counsel of Participant's choosing, but shall reimburse Authority for any necessary legal cost incurred by Authority. If Participant fails to do so, Authority may defend the Claims or Litigation and Participant shall pay the cost thereof, but if Authority chooses not to defend the Claims or Litigation, it shall have no liability to Participant. Participant's obligation to pay the defense cost shall extend until judgment and thereafter through any appeals. In the event of an appeal, or a settlement offer, the Parties will confer in good faith as to how to proceed and the resolution of any such appeal and the Parties' response to any such settlement offer shall require the consent of both Parties, which consent shall not be unreasonably withheld.

h. *Survival of Indemnities.* Notwithstanding any other provision of this Agreement, Participant's release and indemnification as set forth in the provisions of this Section B.7 shall survive the termination or expiration of this Agreement and shall continue in perpetuity.

i. *Waiver of Subrogation.* Participant agrees that Participant shall not make any claim against, or seek to recover from Authority, Agency, City or their agents, servants, or employees, for any loss or damage to Participant, or to any person or property, including without limitation, the property of others under the control of Participant, and Participant shall give notice to any insurance carrier of the foregoing waiver of subrogation, and obtain from such carrier, so long as commercially reasonably available, a waiver of right to recovery against Authority, its agents and employees. In furtherance of the foregoing, Participant agrees that in the event of a sale of the Site by Authority, the hereinabove waiver of subrogation shall continue in favor of the original Authority hereunder, and any subsequent Authority, and their respective successors and assigns. In addition, Authority agrees that Authority shall not make any claim against or seek to recover from Participant or its agents, servants or employees for any loss or damage to Authority, but nothing contained herein shall be deemed to prevent Authority from terminating this Agreement due to the material default of Participant.

8. Quiet Enjoyment. Authority/Agency covenant that upon performance and observance by Participant of all of the agreements, covenants and conditions herein contained on the part of Participant to be performed and observed, and subject to any existing leases and

easements, Participant shall peaceably hold and quietly enjoy the Site during the entire term of this Agreement without hindrance, molestation or interruption by Authority/Agency or by anyone lawfully or equitably claiming by, through or under Authority/Agency.

9. Construction of the Project Pursuant to DDA. Participant shall construct all Project improvements on the Site as set forth and required in Article 600 of the DDA and all attachments thereto within the time established in the Schedule of Performance attached to the DDA. The development of the Site shall be subject to all provisions of the DDA, such that a termination of the DDA shall cause the termination of this Agreement without any resort to the rights or obligations provided under the laws of unlawful detainer. Prior to any termination of this Agreement, Authority shall have all rights to remedy Participant's breach of its development obligations as provided in the DDA. Authority's issuance of the Certificate of Completion, as provided in the DDA, shall conclusively establish that the improvements have been constructed in accordance with the provisions of the DDA.

a. *Ownership of Improvements.* During the term of this Agreement, title to all fixtures and improvements to realty constructed or placed on the Site by Participant, including buildings, structures, and other tenant improvements are and shall be vested in Participant, but shall automatically become the property of Authority upon the expiration or sooner termination of this Agreement. Ownership of moveables and personal property on the Site that do not below to residential tenants shall likewise be the vested in Participant during the term of this Agreement, unless such moveables and personal property are abandoned by Participant on the Site upon Authority's re-entry thereto.

b. *Additional Improvements; Repairs and Alterations.* Except as provided below, once construction of all Project improvements has been completed pursuant to Article 600 of the DDA, Participant shall not make or permit any other person to make any substantial alterations to the Site without prior written consent of Authority. For purposes of this Section, an alteration of the Site is considered to be "substantial" if it requires the issuance of a City building permit. In the event Participant determines that a significant alteration is necessary, such alteration shall not be undertaken without providing at least fourteen (14) days' written notice to Authority accompanied by plans and specifications detailing the proposed alteration. Participant's notice, plans and specifications for a proposed alteration must be provided to Authority in a manner giving City/Authority staff sufficient time to thoroughly review the proposed alterations before determining whether to provide written approval for said alterations (which approval shall not be unreasonably withheld or delayed). Notwithstanding the foregoing, Participant shall be entitled, without need for written consent, to make non-structural alterations to the Site that are intended to maintain or increase the efficient use or appearance of the Site and which do not require City building permits. Nothing herein shall be deemed to require Authority's or City's approval of normal and regular maintenance activities performed by Participant.

All improvements, repairs and alterations done in connection with this Section shall be done promptly and in good and workmanlike manner and in compliance with all laws. Participant shall comply with all applicable development standards in City's Municipal Code and shall comply with all building codes, landscaping, signage, and parking requirements, and all procedures for obtaining approval thereof, with reasonable diligence. All improvements once

made or installed shall be deemed to have attached to the freehold, except for Participant's trade fixtures which shall be and remain the property of Participant.

c. *No Mechanics Liens.* Participant shall not permit any mechanic's, materialman's, contractor's, subcontractor's or other lien arising from any work or improvement, for any labor done, services performed, or materials, appliances, transportation, or power used or furnished, however it may arise, to stand against the Site or any improvement thereon. If any such lien shall be filed or arise against the Site or improvements, Participant shall cause the same to be discharged within forty-five (45) days after such filing, by payment, deposit, or bond and shall save and hold Authority/Agency/City and the Site free and harmless from any and all such claims, liens, or suits. If an action to foreclose such lien has been filed before Participant discharges in full such lien, and a lis pendens or, similar encumbrance on the Site has been recorded in connection with such action, Participant shall, at the time it discharges such lien, take all measures necessary to procure the removal of such encumbrance from the record title of the Site. If Participant shall fail to discharge any such lien, Authority may, but shall not be obligated to, discharge the same and any amount so paid or deposite by Authority and any expenses so incurred by Authority, including reasonable attorney's fees, shall become immediately due and payable by the Participant to Authority together with interest as provided hereunder. Participant may in good faith and at Participant's own expense contest the validity of any such asserted lien, claim or demand, provided Participant has furnished the bond required in Section 3143 of the California Civil Code, any amendment thereof or any law of similar import hereafter enacted providing for a bond freeing a premise from such lien claim. Participant shall give Authority at least ten (10) days' written notice of the date of commencement of any construction, alteration, addition, or improvement or repair costing in excess of Fifty Thousand Dollars ($50,000.00) so that Authority may post appropriate Notices of Nonresponsibility. Authorized agents of Authority shall at all times have the right to go upon the Site to post, and keep posted thereon, Notices of Nonresponsibility provided by Section 3094 of the California Civil Code. No mechanic's or materialman's liens or mortgages, deeds of trust, or other liens of any character whatsoever created or suffered by Participant shall in any way or to any extent affect the interests or rights of Authority in the improvements on the Site or attach to or affect Authority's title to or rights in the Site.

10. Removal of Site.

a. *Destruction of Site.* Should the Site be totally or substantially destroyed by an uninsured peril by no fault of Participant, so that all or a substantial portion of the Site are rendered unfit or uninhabitable for purposes of serving as an apartment complex, Participant shall have the right, giving thirty (30) days' prior notice to Authority, to terminate this Agreement with respect to the portion of the Site so affected (or all of the Site if Participant concludes that it cannot reasonably continue its business operations at the Site), and all rent and other charges (if any) with respect to such portion of the Site shall be adjusted to the date of such destruction. This Agreement shall remain in full force and effect with respect to the unaffected portion of the Site. If Participant does not elect to terminate this Agreement as to any portion of the Site affected by such destruction, the Participant shall, within six (6) months, commence and diligently prosecute to completion the restoration of the destroyed buildings or improvements to a condition which will continue to fulfill the conditions, covenants, and requirements contained in the DDA and this Agreement and shall continue operations in accordance with the terms

hereof. Should the Site, or any part thereof, or any improvement thereon be totally or partially destroyed by an insured peril, the Participant shall promptly cause the restoration of the destroyed improvements to their original or comparable condition and shall continue operations in accordance with the terms hereof to the extent reasonably possible.

b. *Condemnation.* If, during the term of this Agreement, all or any part of the Site or any building or other improvement located thereon, or any interest in this Agreement is taken by the exercise of the power of eminent domain or by private purchase in lieu thereof, the condemnation award or amount paid in lieu thereof shall be apportioned as determined by law. In the event that any award is made to Participant, any lender to Participant shall share in such award to the extent of its interest.

11. Surrender of Site.

a. *In General.* In the event of any termination of Participant's leasehold interest, whether by lapse of time, cancellation, forfeiture, default, or otherwise, Participant shall immediately surrender and deliver the Site to Authority, and all rights and claims of Authority in and to use and enjoyment of such Site shall cease. Such termination shall not release the Participant from any liability which accrued under this Agreement to Participant prior to such termination or expiration.

b. *Condition of Site on Surrender.* Upon termination or expiration of Participant's leasehold interest, Participant shall surrender the Site neat and clean, in good and tenantable condition, reasonable wear and tear excepted. Participant shall do all work and make all repairs necessary to place the Site in said condition at Participant's sole expense, and should Participant fail to do such work and make such repairs after receipt of Participant's demand to do so, Authority may perform such work, and Participant shall reimburse Authority for the expense thereof within ten (10) days after being invoiced therefor by Authority.

c. *Removal of Property.* Upon termination or expiration of Participant's leasehold interest, Participant shall have the right to remove from the Site all furniture, furnishings, fixtures, and equipment placed in the Site, provided that Participant shall make all repairs to the Site required because of such removal. If any of such property shall remain in the Site after the end of the term hereof, such property shall be and become, at the option of Authority, the property of Authority without any claim therein of Participant; provided that Authority may direct Participant to remove such property and if Participant fails to remove such when directed to do so by Authority, then Authority may remove such property and Participant shall reimburse Authority for the expense thereof within ten (10) days after being invoiced therefor by Authority.

d. *Documents.* Upon termination or expiration of Participant's leasehold interest, Participant shall execute and deliver any and all deeds, bills of sale, assignments and other documents which in Authority's sole judgment may be necessary or appropriate to transfer, to evidence, or to vest in Authority clear title to any buildings, structures and improvements that may constitute a part of the Site and all machinery, equipment, fixtures or other property that may be used or intended to be used in connection with the Site or left at the time of such termination.

e. *Holding Over.* The leasehold interest granted hereby shall terminate and become null and void without further notice upon expiration of the 55-Year Affordability Period (or earlier termination, cancellation, forfeiture, or default) and any holding over by Participant after such termination or expiration shall not constitute a renewal hereof or give Participant any rights under this Agreement. If Participant fails to surrender the Site, Participant shall indemnify and hold Authority harmless from all loss or liability resulting from such failure, including any claims made by any succeeding tenant.

C. RESIDENTIAL RENTAL USES; TERM; 55-YEAR AFFORDABILITY PERIOD.

The Participant hereby agrees that the Project is to be owned, managed, and operated on a continuous basis as a 25-Unit project for residential rental restricted to Qualified Households, plus the one unrestricted Unit for the Qualified Manager. Such operation of the Project shall continue for a term equal to fifty-five (55) years, commencing upon the later of either (i) December 1, 2011, or (ii) the opening of all twenty-six (26) Project Units as available for rent to Qualified Households consistent with the standards and levels required by this Agreement (the "**55-Year Affordability Period**"). To that end, and for the 55-Year Affordability Period, the Participant hereby represents, covenants, warrants and agrees as follows:

1. Purpose. Participant shall own, manage, and operate the Project as a whole to provide rental housing to 25 Qualified Households, with the Project comprised of several interrelated buildings or structures, one Manager's Unit for the Qualified Manager, common areas, a clubhouse servicing all residents, parking areas, together with any functionally related and subordinate facilities (i.e., heating equipment, trash disposal equipment, laundry, etc.).

2. Residential Use; One Household Per Unit. None of the Units in the Project will at any time be utilized on a transient basis or used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, or trailer court or park without the Authority's prior written consent which consent may be given or withheld in its sole and absolute discretion. No more than one (1) Qualified Household shall occupy each Unit.

3. Conversion of Project. No part of the Project will at any time be owned by a cooperative housing corporation, nor shall the Participant take any steps in connection with the conversion to such ownership or uses to condominiums, or to any other form of ownership, without the prior written approval of Authority which approval may be given or withheld in its sole and absolute discretion.

4. Preference to Qualified Households. All of the Restricted Units will be available for rent in accordance with the terms of this Agreement, and the Participant shall not give preference to any particular class or group in renting the Restricted Units in the Project, except to the extent that the Restricted Units are required to be leased or rented to Qualified Households and except as provided in Section D.10 below.

5. Qualified Manager. Only one Unit in the Project may be occupied by a Qualified Manager. The occupancy of such Manager's Unit shall not be restricted by age or income.

6. Liability of Participant. Participant, Qualified Manager (if applicable) and Qualified Manager shall not incur any liability under this Agreement as a result of fraud or intentional misrepresentation by a tenant.

D. OCCUPANCY OF PROJECT BY QUALIFIED HOUSEHOLDS.

Participant hereby represents, warrants, and covenants as follows:

1. Income Restrictions; Affordability Mix. Except as expressly provided herein, throughout the 55-Year Affordability Period of this Agreement the occupancy of all of the Restricted Units in the Project (excluding the Manager's Unit) shall be restricted to Qualified Household as follows:

a. Nine (9) of the Restricted Units shall be restricted rental to Extremely Low Income Qualified Households, subject to the age restrictions in subpart (c) hereof.

b. Six (6) of the Restricted Units shall be restricted rental to Very Low Income Qualified Households, subject to the age restrictions in subpart (c) hereof.

c. Five (5) of the Restricted Units shall be restricted rental to Low Income Qualified Households, subject to the age restrictions in subpart (c) hereof.

d. Five (5) of the Restricted Units shall be restricted rental to Moderate Income Qualified Households, subject to the age restrictions in subpart (c) hereof.

e. Only the Manager's Unit will be unrestricted as to age or income.

Each Restricted Unit shall be designated as an Extremely Low, Very Low, Low or Moderate Income Unit such that the above affordability mix (i.e., 9 Extremely Low, 6 Very Low, 5 Low and 5 Moderate) will be maintained. Restricted Units designated for each income category shall be reasonably disbursed throughout the Site such that Restricted Units designated for a single income category are not clustered into one location on the Site. Restricted Units designated for Extremely Low and Very Low Income Households shall be compatible with the design of Low and Moderate Income Units in terms of appearance, maintenance, materials, and finished quality. The requirements of this Section are subject to the potential application of the "next available unit rule" referenced in Section D.11 hereof.

2. Senior Citizen Requirements. Permitted residency of a Restricted Unit shall be based upon the Unit being occupied by a Qualified Household having at least one Senior Citizen member occupying the unit as his/her primary permanent residence. Subject to the requirements of applicable law, all of the Restricted Units shall be independent living apartments specially designed for the physical and social needs of Senior Citizens in accordance with the Project entitlements. In enforcing and maintaining the Senior Citizen occupancy restriction, Participant agrees to abide by the terms of, without limitation, the Unruh Civil Rights Act, § 51 et seq. of the California Civil Code and the Federal Fair Housing Act, 42 USC § 3607 et seq., as such laws may be amended from time to time. Participant accepts and acknowledges that, as of the date of recordation of this Agreement, California Civil Code § 51.3 provides, in relevant part, as follows:

a. That the Authority may place restrictions upon the rental of the Restricted Units such that at least one person in residence in each dwelling unit must be a Senior Citizen, and other residents in the same dwelling unit who are not Senior Citizens must be one of the following: (i) a Qualified Permanent Resident, or (ii) a Permitted Health Care Resident, or (iii) a person who had the right to reside in, occupy, or use the Site housing or an unimproved lot on or before January 1, 1985, or (iv) any person who resided in, occupied, or used, prior to January 1, 1990, a dwelling in a Senior citizen housing development that relied on the exemptions to special design requirements provided by Civil Code Section 51.4 prior to January 1, 2001, shall not be deprived of the right to continue that residency, occupancy, or use. The occupancy of a Unit by a Permitted Health Care Resident shall be permitted during any period that the person is actually providing live-in, long-term, or hospice health care to the Senior Citizen for compensation; the term "for compensation" shall include provisions of lodging and food in exchange for care.

b. Temporary guests of a Senior Citizen or Qualified Permanent Resident under the age of sixty-two (62) shall be allowed for a period of not more than sixty (60) days in any twelve (12) month period, and within that period no temporary guest may reside in the Unit for more than fourteen (14) consecutive days.

c. Upon the death, dissolution of marriage, hospitalization or other prolonged absence of the Senior Citizen in a Unit, any Qualified Permanent Resident who has continuously resided in the dwelling unit with such Senior Citizen shall be permitted to continue as a resident of that dwelling unit provided such person shall meet the income restrictions applicable to a Qualified Household. This particular right of continued occupancy shall not apply to a Permitted Health Care Resident.

d. Notwithstanding the foregoing, in the event applicable laws enacted after the recordation of this Agreement prohibit the restriction of the Project to occupancy by Senior Citizens as defined herein, the Participant shall notify the Authority in writing of such prohibition and the Authority shall redefine the occupancy requirements for the Project in accordance with applicable law.

3. Expiration of Occupancy and Rent Restrictions. The Restricted Units shall be subject to the restrictions contained in this Article D for the duration of the 55-Year Affordability Period. All Qualified Households residing in the Restricted Units during the final two (2) years of the 55-Year Affordability Period shall be given notice of the expiration of the 55-Year Affordability Period at least once every six (6) months during said final two years. After the expiration of the 55-Year Affordability Period, rents for the Restricted Units may be raised to market rates.

4. Rental Rates Restricted to Affordable Rent—In General. Except as provided in Section D.11 below, Participant and Authority hereby agree to:

a. Rent those nine (9) Restricted Units designated for occupation by Extremely Low Income tenants at a monthly rental rate that is no greater than an Extremely Low Income Affordable Rent rate.

b. Rent those six (6) Restricted Units designated for occupation by Very Low Income tenants at a monthly rental rate that is no greater than a Very Low Income Affordable Rent rate.

c. Rent those five (5) Restricted Units designated for occupation by Low Income tenants at a monthly rental rate that is no greater than a Low Income Affordable Rent rate.

d. Rent those five (5) Restricted Units designated for occupation by Moderate Income tenants at a monthly rental rate that is no greater than a Moderate Income Affordable Rent rate.

5. Income Certification & Recertification. The income levels for each tenant and their household shall be initially certified, and annually recertified as follows:

a. *Initial Certification of Income & Senior Status.* The Authority shall undertake responsibility for the directed marketing of first-time tenant-applicants meeting the income and age requirements for the Restricted Units. Authority shall further undertake the income and age verification process for all new tenant applicants to ensure that they are a Qualified Household meeting the income and age limits set for an available, vacant Restricted Unit (e.g., such that a vacancy in a Low Income Unit can only be filled by a Senior Qualified Household at or below Low Income levels, etc.). The Authority shall be responsible for setting the initial rent rate for each new tenant in accordance with Sections D.6 below.

Once the Authority has verified that a prospective tenant is a Qualified Household and set a rental rate, the lease documentation for that Unit shall be processed by the Participant. All processing of leases, lease renewals (including the implementation of Annual Adjustments), and income/age recertification shall be undertaken by Participant.

b. *Income/Age Recertification.* Participant shall be responsible for all annual income recertification once a Restricted Unit has been initially certified by the Authority. From and after the commencement of the 55-Year Affordability Period, annually each year, or at any time upon the written request of Authority, Participant shall advise the Authority of the occupancy of the Project by delivering a "**Certificate of Continuing Program Compliance**" in the form attached hereto as Exhibit "F certifying: (i) the income and Senior Citizen status of each household occupying a Restricted Unit, (ii) the number of Restricted Units of the Project which were occupied or deemed occupied by a Qualified Household during such period, (iii) the number of months during which each Restricted Unit was occupied, and (iv) that to the knowledge of Participant either (a) no unremedied default has occurred under this Agreement, (b) a default has occurred, in which event the Certificate shall describe the nature of the default and set forth the measures being taken by the Participant to remedy such default. Participant agrees to pay Authority a fee pursuant to Health and Safety Code Section 33418(c) to offset Authority's actual costs of reasonable and necessary monitoring of affordable housing at the Site. The Certificate of Continuing Program Compliance shall be due to the Authority annually either on January 31 or June 15, as may be mutually-agreed by the parties.

c. *Certification of Preexisting Tenants.* Within thirty (30) days of this Agreement's recordation upon the Site, Participant shall conduct an income computation and age certification for those Preexisting Tenants who were already occupying Restricted Units on Parcel I prior to the date of recordation of this Agreement. Preexisting Tenants eligible as Qualified Households shall be entitled to continue their occupancy of their Restricted Unit subject to the rental rates stated in Section D.4 hereof. However, if a Preexisting Tenant is not eligible as a Qualified Household, then such ineligible Preexisting Tenant shall be remain in his/her tenancy and the Restricted Unit shall be subject to the provisions of Section D.11 hereof.

d. *Maintenance of Records.* Participant shall maintain materially complete and accurate records pertaining to the Units, and shall permit any duly authorized representative of the Authority to inspect the books and records of Participant pertaining to the Site including, but not limited to, those records pertaining to the occupancy of the Units.

e. *Reliance on Tenant Representations.* Each lease for a Restricted Unit shall contain a provision to the effect that Participant has relied on the income certification and supporting information supplied by the tenant in determining qualification for occupancy of the Restricted Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease. In order to assure the accuracy of income/age verification, lease documents executed between the Participant and/or Qualified Manager and each Qualified Household shall contain the following provision as a material term of the lease:

> Whenever Tenant's income changes or Tenant has a change in family composition (persons moving in or out of the household), the Tenant shall report that change to the Resident Manager (Landlord) in writing within 10 business days. Tenant's failure to so report any changes in household income or composition shall be deemed a material default of the Lease.

6. Setting of Base Rent Rates.

a. *Setting Affordable Rent Rates for New Qualified Households.* This Section applies to all new candidates for tenancy in the Project. Once the Authority has determined that a new prospective tenant is a Qualified Household, the Authority shall determine the Household's applicable income category (i.e., Extremely Low, Very Low, Low or Moderate). Based upon that determination, the Authority shall set the new tenant's initial, or base, rental rate. The base rent rate shall not exceed the Affordable Rent levels (by income category) mandated by Section D.4 above. Once the Authority has set the base rent rate for a new tenant, the Participant shall thereafter assume the responsibility of processing lease documentation, collecting rent, managing Annual Adjustments, and maintaining the rent at an Affordable Rent rate appropriate to the household's income level.

b. *Rent Rates for Preexisting Tenants Not to Change.* Those tenants who are currently living in Phase I Restricted Units as of the commencement of the 55-Year Affordability Period (the "**Preexisting Tenants**") shall not be subject to any rent increases above and beyond

the rental rates they pay/paid as of the commencement of the 55-Year Affordability Period. The foregoing requirement restricting rent increases for Preexisting Tenants shall not apply (i) to such Annual Adjustments applicable to the Preexisting Tenants under Section D.7.b hereof, or (ii) to rent increases approved by the Authority in writing.

7. Adjustments in Rent.

a. *Annual Adjustments.* Once the Authority has set the base rent rate for a Restricted Unit pursuant to Section D.6.a, above, the Participant may automatically apply a 2.5% rent increase each year (the "**Annual Adjustment**"). Subject to Section D.7.c below, such Annual Adjustment shall take effect, and be collectable from the tenant, in that month representing the anniversary of the tenant's lease. For example, if a Qualified Household initially enters its lease for a Restricted Unit at a base rent of $500/month in January, such rent will increase to $513/month (i.e., 2.5% increase) starting January of the next year. Lease documents between Participant and a Qualified Household shall fully disclose the nature and the amount of applicable Annual Adjustments.

b. *Special Rule for Annual Adjustments for Preexisting Tenants.* As opposed to the Annual Adjustments described in the foregoing Section D.7.a, Preexisting Tenants are subject to flat-rate Annual Adjustments each year. The Annual Adjustments for Preexisting Tenants shall take effect in the year following the 55-Year Affordability Period and adjust each anniversary thereafter as shown in the table attached hereto as Exhibit "G" hereto. Before any Annual Adjustment can be imposed upon a Preexisting Tenant, the Participant shall amend or revise all lease documents between Participant and each Preexisting Tenant in order to fully disclose the nature and the amount of applicable Annual Adjustments, and as required for providing the tenant sufficient, lawful notice of rent increases and/or such other tenant rights attendant to rent increases under all applicable laws, regulations or ordinances.

c. *No Annual Adjustment May Give Rise To Rental Rates Exceeding Affordable Rent.* No Annual Adjustment may be charged to a Qualified Household if such rent increase would exceed the Affordable Rent level applicable to the Household's Restricted Unit. For example, if an Annual Adjustment would cause a Low Income Household to pay a rent rate in excess of Low Income Affordable Rent, such Annual Adjustment shall not be charged to the household (though the escalated rent rate will be treated as Guaranteed Rent for purposes of calculating any Rent Subsidy under Section D.8.b). To this end, prior to levying any Annual Adjustment upon a Qualified Household, the Participant shall verify that the Annual Adjustment will not result in the household paying a rent rate that exceeds its Affordable Rent. To achieve this verification, Participant shall use the most recent income certification/re-certification reports and the Participant shall consider any other information as may be reasonably requested or provided by the Authority.

8. Guaranteed Rent; Rent Subsidy; Rent Refunds. In consideration for the Authority's payment of the Agency Assistance, the Authority will provide Participant with a minimum "**Guaranteed Rent**" for each Restricted Unit on the Site. Said Guaranteed Rent shall commence at the same time as the start of the 55-Year Affordability Period (i.e., the later of either (i) December 1, 2011, or (ii) the opening of Phase II units as available for rent). The

Guaranteed Rent shall also expire at the same time as the expiration of the 55-Year Affordability Period.

a. *Exhibit "E".* The estimated Guaranteed Rent structure is shown in the Financial Analysis at Exhibit "E" hereto. As seen in Exhibit "E", Guaranteed Rent starts, in Calendar Year One, at $500 per unit and escalates each year thereafter by 2.5% (pursuant to the Annual Adjustment).

b. *Rent Subsidy.* On a monthly, per-Unit basis, the Authority will pay the Participant for any shortfalls in Guaranteed Rent (the "**Rent Subsidy**"). Such Rent Subsidy shall equal *the difference between*:

- The monthly Guaranteed Rent, *minus*
- The base rental rate set by Authority for a Restricted Unit pursuant to Section D.6 plus any applicable Annual Adjustments.

For example, under Exhibit "E" Year Two has a minimum per-unit Guaranteed Rent of $513/month. However, if the set base rent plus any Annual Adjustments for a Restricted Unit only comes to $450 per month, then the Authority will remit Sixty Three Dollars ($63) to Participant for that month (i.e., $513 minus $450).

c. *Rent Refund.* On a monthly, per-unit basis, the Participant will pay the Authority for any rent actually received in excess of the Guaranteed Rent. Such Rent Refund shall equal *the difference between:*

- The actual rent received for a Restricted Unit, minus
- The applicable monthly Guaranteed Rent.

For example, if in any month of Year Two (which has a minimum Guaranteed Rent per-unit of $513/month) the Qualified Tenant of a Restricted Unit pays $550 in a monthly rent, then the Participant will refund Thirty-Seven Dollars ($37) to Authority for that month (i.e., $550 minus $513).

d. *Payment of Rent Subsidies or Rent Refunds.* Within seven (7) days of the end of each month, the Participant will provide a monthly unit-by-unit written report to the Authority (the "**Monthly Rent Report**"). The Monthly Rent Report shall show the actual level of rent paid that month for each Restricted Unit and to what extent, if any, the unit's set rental rate is either in excess of, or below, the Guaranteed Rent. The Monthly Rent Report shall further report any leases in default, any material changes in tenant income levels, a unit-by-unit report of the initial rent rate for each tenant and the current rent paid by such tenant, a statement of any amounts of either Rent Subsidy or Rent Refund due and owing and documentation supporting such amounts, and such other information as Authority may reasonably request.

The Authority shall pay any Rent Subsidies owing for the reported month in a Monthly Rent Report within thirty (30) days of receiving such Report. The Authority shall pay any Rent Refund owing for the reported month in a Monthly Rent Report within thirty (30) days of submitting such Report to the Authority.

e. *Amendments; Default.* As of the recordation of this Agreement, the parties are unable to estimate or predict with certainty the exact level of property taxes that will be applicable to the Site throughout the 55-Year Affordability Period. Therefore, the parties acknowledge and accept that the calculations in Exhibit "E" may be amended or adjusted mutually by the Authority and Participant as needed to reflect the actual amounts of property taxes applicable to the Site throughout the 55-Year Affordability Period.

Notwithstanding the foregoing or any other provision of this Agreement, any amendments or adjustments to Exhibit "E" that alter the amount of Rent Subsidy or Rent Refund to be paid must be in writing and signed by the appropriate authorities of Authority and Participant. Any purported adjustments to Exhibit "E" not so memorialized in mutually-signed agreement shall be void *ab initio.* If Participant commits an uncured default resulting in termination of this Agreement, the Authority shall have the immediate right to cease any and all Rent Subsidy payments effective as of the date the breach becomes an uncured default under Article K.

9. Duration of Occupancy By Qualified Household. Except in the instance of Section D.11.a, a Restricted Unit occupied by a Qualified Household shall be treated as occupied by that Qualified Household until such time that re-certification of the household's income in accordance with Section D.5, above, demonstrates that the household's primary tenant no longer qualifies as a Qualified Household.

10. Rental Priority. During the term of this Agreement, and to the extent allowed under applicable Affordable Housing Program restrictions, Participant and Authority shall use their best efforts to lease vacant Restricted Units reserved for Qualified Households in the following order of priority: (i) displaced persons entitled to a preference pursuant to California Health and Safety Code Section 33411.3 or successor statute, with highest priority in this category to residents of Irwindale; (ii) residents of the City of Irwindale; and (iii) other persons meeting the eligibility requirements of this Agreement. Participant and Authority may maintain a list (the "**Housing List**") of persons who have filed a complete application with Authority to rent a Restricted Unit in the Project and who have incomes and Senior Citizen status which would qualify them as a Qualified Household.

11. Nonconforming Tenants. It is expressly understood between the parties to this Agreement that the Restricted Units are intended to be occupied solely by Qualified Households certified as Senior status and income-certified as Extremely Low, Very Low, Low or Moderate Income tenants pursuant to Health & Safety Code §50053 so that the Authority may count the Restricted Units towards its affordable production units; this is the express intent of entering into the DDA and this Agreement. Notwithstanding this intent, the parties acknowledge that there is an established policy against terminating the occupancy of Nonconforming Tenants who, in good faith, were either (i) over-income Preexisting Tenants, or (ii) Qualified Households who subsequently enjoyed a disqualifying increase in annual household income. With respect to such Nonconforming Tenants, the following rules shall apply:

a. *Continued Occupancy.* Any Nonconforming Tenant who, in good faith and in the absence of any fraud or misrepresentation, occupies a Restricted Unit may remain in occupancy of such unit; nothing herein shall be deemed to require Participant to evict or refuse renewal of a lease to such Nonconforming Tenant. For the purposes of this Agreement, a

Restricted Unit so occupied by a good faith Nonconforming Tenant is treated as though it was "occupied by a Qualified Household" throughout the duration of the Nonconforming Tenant's occupancy.

b. *Income Restrictions Resurrected Upon Vacation of Nonconforming Tenant.* When a Nonconforming Tenant occupying a Restricted Unit pursuant to subpart D.k(i) above vacates the Unit, that unit shall only be re-leased to a Qualified Household at the income level that was initially designated for the Restricted Unit prior to its occupation by the Nonconforming Tenant (except as otherwise provided by the "next available unit" rules stated below).

c. *Next Available Unit Requirement.* The parties intend that the Site shall be occupied by Extremely Low, Very Low, Low and Moderate Income households at the ratios and levels referenced in Section D.a hereof (i.e., 9 Extremely Low, 6 Very Low, 5 Low and 5 Moderate Units). To this end, Participant shall follow the "Available Unit Rules" set forth in Federal Internal Revenue Code § 42(g)(2), its successor statutes, Federal Treasury Regulation 1.42-15 (26 C.F.R § 1.42-15) and attendant Federal laws and regulations.

12. Conflicts. The leasing preference provision set forth in Section D.10 shall apply only in the event, and to the extent, such provisions are not in conflict with Internal Revenue Code provisions or IRS regulations.

13. Authority Remedy For Excessive Rent Charge.

a. It shall constitute a default for Participant to charge or accept for a Restricted Unit rent amounts in excess of the amounts provided for in Section D.4 of this Agreement. In the event that Participant charges or receives such higher rental amounts, in addition to any other remedy Authority shall have for such default, Participant shall be required to pay to Authority the entire amount of rent received in excess of the amount permitted pursuant to this Agreement.

b. It shall constitute a default for Participant to rent any Restricted Unit to a tenant who is not a Qualified Household for the particular Restricted Unit pursuant to the rental rate requirements set forth in Section D.4 of this Agreement. In the event Participant rents a Restricted Unit to an ineligible tenant, in addition to any other equitable remedy Authority shall have for such default, Participant, for each separate violation shall be required to pay to Authority an amount equal to (i) two times the greater of (A) the total rent Participant received from such ineligible tenant, or (B) the total rent Participant was entitled to receive for renting that Restricted Unit, plus (ii) any relocation expenses (if any) incurred by Authority or City as a result of Participant having rented to such ineligible person.

THE PARTIES HERETO AGREE THAT THE AMOUNTS SET FORTH IN SUBPARAGRAPHS (a) THROUGH (b) OF THIS SECTION D.13 (THE "DAMAGE AMOUNTS") CONSTITUTE A REASONABLE APPROXIMATION OF THE ACTUAL DAMAGES THAT AUTHORITY WOULD SUFFER DUE TO THE DEFAULTS BY PARTICIPANT SET FORTH IN SUBPARAGRAPHS (a) THROUGH (b), CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE EFFECTIVE DATE OF THIS

AGREEMENT, INCLUDING THE RELATIONSHIP OF THE DAMAGE AMOUNTS TO THE RANGE OF HARM TO AUTHORITY AND ACCOMPLISHMENT OF AUTHORITY'S PURPOSE OF ASSISTING IN THE PROVISION OF AFFORDABLE HOUSING TO QUALIFIED HOUSEHOLDS THAT REASONABLY COULD BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY OR INCONVENIENT. THE AMOUNTS SET FORTH IN THIS SECTION D.13 SHALL BE THE SOLE MONETARY DAMAGES REMEDY FOR THE DEFAULTS SET FORTH IN THIS SECTION D.13, BUT NOTHING IN THIS SECTION D.13 SHALL BE INTERPRETED TO LIMIT AGENCY'S REMEDY FOR SUCH DEFAULT TO SUCH A DAMAGES REMEDY. IN PLACING ITS INITIAL AT THE PLACES PROVIDED HEREINBELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY HAS BEEN REPRESENTED BY COUNSEL WHO HAS EXPLAINED

THE CONSEQUENCES OF THE LIQUIDATED DAMAGES PROVISION AT OR PRIOR TO THE TIME EACH EXECUTED THIS AGREEMENT.

PARTICIPANT'S INITIALS: _____ AGENCY'S INITIALS: _____

E. MAINTENANCE.

1. General Maintenance Obligations. Participant, for itself and its successors and assigns, hereby covenants and agrees to maintain and repair or cause to be maintained and repaired the Site and all related on-Site improvements and landscaping thereon, including, without limitation, buildings, parking areas, lighting, signs and walls in a first class condition and repair, free of rubbish, debris and other hazards to persons using the same, and in accordance with all applicable laws, rules, ordinances and regulations of all federal, state, and local bodies and agencies having jurisdiction, at Participant's sole cost and expense. Such maintenance and repair shall include, but not be limited to, the following: (i) sweeping and trash removal; (ii) the care and replacement of all shrubbery, plantings, and other landscaping in a healthy condition; and (iii) the repair, replacement and restriping of asphalt or concrete paving using the same type of material originally installed, to the end that such pavings at all times be kept in a level and smooth condition, and (iv) at a minimum interior conditions of Units and common buildings shall be maintained in accordance with the standards of habitability set forth in 24 CFR Part 5, Subpart G. In addition, Participant shall be required to maintain the Property in such a manner as to avoid the reasonable determination of a duly authorized official of the City that a public nuisance has been created by the absence of adequate maintenance such as to be detrimental to the public health, safety or general welfare or that such a condition of deterioration or disrepair causes appreciable harm or is materially detrimental to property or improvements within one thousand (1,000) feet of such portion of the Site.

2. Parking and Driveways. The driveways and traffic aisles on the Site shall be kept clear and unobstructed at all times. No vehicles or other obstruction shall project into any of such driveways or traffic aisles. Vehicles associated with the operation of the Site, including delivery vehicles, vehicles of employees and vehicles of persons with business on the Site shall park solely on the Site.

3. Specific Site Requirements. Without limiting any of the foregoing provisions, Participant's maintenance requirements shall include the following duties commencing from and continuing after the commencement of the 55-year Affordability Period:

a. Reasonably regular maintenance of interior and exterior lighting on the Site including, without limitation, the occasional, as-needed replacement or retrofitting of existing lighting with equipment designed for high-efficiency lumens per watt; the maintenance of interior fixtures as decorative, attractive and compatible with high-efficiency bulbs; the maintenance of motion-sensitive or other crime-deterrent exterior lighting to the extent such lighting can be maintained in an attractive and non-obtrusive manner; and, the maintenance of decorative exterior lighting with equipment designed for high-efficiency lumens per watt. Participant shall utilize renewable energy for exterior lighting, such as solar power, where reasonably possible, cost-effective, attractive and non-obtrusive to residents.

b. Reasonable maintenance and repair to all household appliances to maintain them in safe, working order (absent instances of tenant negligence or intentional destruction). To the extent reasonably possible and cost-effective, appliances shall be retrofitted and/or maintained with equipment designed for high-efficiency energy or water consumption, as appropriate.

c. Should any carpeting be more than ten (10) years old upon the vacation of a tenant from the unit, then Participant shall fully replace such carpeting and its underlying padding. Carpeting or padding that has been significantly damaged regardless of its age (i.e., beyond normal wear and tear) shall be replaced upon the tenant's vacation from the unit. Carpeting shall be shampooed every three (3) years, unless the tenant elects to not have shampooing performed.

d. Reasonably regular repair to all cabinetry, countertops showers, tubs and sinks; or if such cabinetry, countertops showers, tubs and sinks are irreparably and visibly broken, cracked, chipped, damaged, pitted or stained, then replacement with new ones (absent instances of tenant negligence or intentional destruction). To the extent reasonably possible and cost-effective, showers, tubs and sinks shall be maintained with equipment designed for high-efficiency water consumption.

e. Reasonably regular cleaning and any necessary repairs to all Heating, Ventilating and Air Conditioning ("HVAC") systems. To the extent reasonably possible and cost-effective, HVAC systems shall be maintained with equipment designed for high-efficiency energy consumption. Participant or its Qualified Manager shall utilize the air filters recommended by the HVAC system manufacturer (or more effective filter technology if reasonably available); changeable filters shall be changed at a minimum as often as recommended by the HVAC system manufacturer.

f. Neat, attractive and regular maintenance of any solar panels upon Site roofs in such a manner as to efficiently supplement and support electric energy needs of the Site.

g. Maintain the appearance and safety of the Site (including all improvements, fixtures, and landscaping) in good order, condition, and repair, and free from the accumulation of trash, waste materials, and other debris.

h. Remove all graffiti placed upon the Site (including all improvements, fixtures, and landscaping) within seventy-two (72) hours of its appearance.

i. Maintain in good order, condition and repair, properly functioning landscape irrigation systems, including rain gutters and drains, on the Site.

j. Remove and promptly replace all dead or diseased landscaping material on the Site.

k. Regularly maintain all painted, metal, stucco or similar exterior finishes in a neat condition without substantially visible chips, rust, cracking, peeling or other such deterioration.

l. A full upgrade and refurbishment of Site improvements will be undertaken once every ten (10) years (commencing the tenth year after the commencement of the 55-Year Affordability Period) in cooperation with the Authority to the extent upgrades and refurbishments are reasonable and cost-efficient for Participant. To this end, Participant will review the interior and exterior condition of Site structures to determine what improvements can be reasonably upgraded or refurbished. A representative of the Authority may accompany Participant during such ten-year Site review to assist and reasonably negotiate which improvements or Units require an upgrade. Participant shall not be required to pay for the ten-year upgrades or refurbishments required by this Section if such improvements would cost in excess of 75% of the Reserve Fund identified in the Financial Analysis at Exhibit "E" hereto.

4. Maintenance Schedule/Program. To implement the Site maintenance standards set forth in this Agreement, Participant shall abide by that "Las Casitas Maintenance Requirements" program schedule attached hereto as Exhibit "H" (the "**Maintenance Program**"). The Maintenance Program may only be amended, modified or waived pursuant to a written agreement signed by both the Participant and Authority.

5. Tenant Compliance. At the time any tenant signs a lease or lease renewal, Participant shall disclose the existence of this Agreement by providing a written notice to the tenant (included in the lease documentation) in substantially the following form:

> The Las Casitas Apartment complex is subject to a 55-year "Regulatory Agreement and Declaration of Covenants and Restrictions" dated _____, 2011, between the Landlord and the Irwindale Housing Authority. The Regulatory Agreement requires that the Landlord may only lease these apartments to specified levels of lower income, senior-citizen households. The Regulatory Agreement further requires the Landlord to maintain the interior and exterior conditions of the apartments in a neat, safe and habitable condition and it imposes a variety of specific obligations upon the Landlord relating to property maintenance. The Regulatory Agreement provides the Housing Authority with a variety of rights and remedies against the Landlord should Landlord breach its

affordable housing and/or property maintenance obligations. The resident manager maintains a complete copy of the Regulatory Agreement available for review by any tenant or prospective tenant upon request during regular business hours.

The above written notice shall be incorporated into Participant's lease documents with each and every tenant and each tenant shall sign some form of acknowledgment witnessing receipt of the notice. A copy of this Agreement shall be available on the Site during regular business hours for review by any Site resident.

6. Right of Entry. In the event Participant fails to maintain the Site in the above-mentioned condition, and satisfactory progress is not made in correcting the condition within thirty (30) days from the date of written notice from Authority, or if Participant and Authority agree such condition cannot reasonably be cured within such 30-day period Participant shall have such time as Participant and Authority mutually agree may be reasonably necessary to correct the condition provided that Participant is diligent in pursuit of the cure, City, Authority or Agency may, at their option, and without further notice to Participant, declare the unperformed maintenance to constitute a public nuisance. Thereafter, either Agency, Authority or City, their employees, contractors or agents, may cure Participant's default by entering upon the Site and performing the necessary landscaping and/or maintenance. The Agency, Authority or City shall give Participant, its representative or the residential manager reasonable notice of the time and manner of entry, and entry shall only be at such times and in such manner as is reasonably necessary to carry out this Agreement. Participant shall pay such costs as are reasonably incurred by Agency, Authority or City for such maintenance, including attorneys' fees and costs.

a. *Lien.* If such costs provided in this Section E.6 are not reimbursed within thirty (30) days after Participants' receipt of notice thereof, the same shall be deemed delinquent, and the amount thereof shall bear interest thereafter at a rate of the lower of ten percent (10%) per annum or the legal maximum until paid. Any and all delinquent amounts, together with said interest, costs and reasonable attorney's fees, shall be a personal obligation of Participant as well as a lien and charge, with power of sale, upon the property interests of Participant, and the rents, issues and profits of such property. City, Authority and/or Agency may bring an action at law against Participant obligated to pay any such sums or foreclose the lien against Participant's property interests. Any such lien may be enforced by sale by the City, Authority or Agency following recordation of a Notice of Default of Sale given in the manner and time required by law as in the case of a deed of trust; such sale to be conducted in accordance with the provisions of Section 2924, et seq., of the California Civil Code, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law.

Any monetary lien provided for herein shall be subordinate to any bona fide mortgage or deed of trust covering an ownership interest or leasehold or subleasehold estate in and to any Site approved by Agency or Authority pursuant to the DDA, and any purchaser at any foreclosure or trustee's sale (as well as any deed or assignment in lieu of foreclosure or trustee's sale) under any such mortgage or deed of trust shall take title free from any such monetary lien, but otherwise subject to the provisions hereof; provided that, after the foreclosure of any such mortgage and/or deed of trust, all other assessments provided for herein to the extent they relate to the expenses incurred subsequent to such foreclosure, assessed hereunder to the purchaser at

the foreclosure sale, as Participant of the subject Site after the date of such foreclosure sale, shall become a lien upon such Site upon recordation of a Notice of Assessment or Notice of Claim of Lien as herein provided.

7. Tenant Disputes. Tenants may, from time to time, have disputes with other tenants, with the Participant or the Participant's contractors and employees (collectively, "**Tenant Disputes**") with regard to rent collection, Site conditions (interior or exterior), parking, noise, management. Such Tenant Disputes shall be the responsibility of Participant and/or resolved through mediation or arbitration procedures, which procedures shall be set forth in the Participant's lease agreements with each and every tenant. In no case shall City, Authority or Agency be responsible for, nor the arbiter of, Tenant Disputes.

F. MANAGEMENT.

1. Approval of Qualified Manager; Designation of Qualified Manager. Subject to the terms and conditions contained hereinbelow, Participant shall at all times during the operation of the Site pursuant to this Agreement retain an entity to perform the management and/or supervisory functions ("**Qualified Manager**") with respect to the operation of the Project including day-to-day administration, maintenance and repair. Participant shall, before execution or any subsequent amendment or replacement thereof, submit and obtain Authority's written approval of a management contract ("**Management Contract**") entered into between Participant and its Qualified Manager acceptable to Authority. Subject to any regulatory or licensing requirements of any other applicable governmental agency, the Management Contract may be for a term of up to fifteen (15) years and may be renewed for successive terms in accordance with its terms, but may not be amended or modified without the written consent of Authority. The Management Contract shall also provide that the Qualified Manager shall be subject to termination for failure to meet project maintenance and operational standards set forth herein or in other agreements between Participant and Authority. Participant's obligation to retain a Qualified Manager shall remain in force and effect for the same duration as the 55-Year Affordability Period.

a. *Self-Management.* Notwithstanding anything to the contrary in this Section F.1, the Site may be self-managed by Participant with the prior approval of the Authority Executive Director. Prior to this Agreement, Participant itself was the Qualified Manager for Phase I of the Project, and the parties expect that Participant will be the initial Qualified Manager of the Site at the start of the 55-Year Affordability Period. The Authority therefore hereby approves Participant as the Qualified Manager. Any change in the Qualified Manager shall be approved, in writing, by the Executive Director, which approval shall not be unreasonably withheld.

b. *Serious Mismanagement.* If Authority determines in its reasonable judgment that the Site is not being operated or managed in accordance with all the requirements and standards of this Agreement, or other applicable laws and ordinances, then the Authority may deliver written notice to Participant setting forth with reasonable detail the nature of the deficiencies ("**Notice of Serious Mismanagement**"). Deficiencies which may result in such notice include any breach of the site maintenance obligations, use restrictions or management prerogatives mandated by this Agreement (hereinafter, "**Serious Mismanagement**"). For

purposes of this Agreement the term "Serious Mismanagement" shall include, but is not limited to, the following:

i. Knowingly leasing to ineligible households whose income exceeds the income levels prescribed by the Agreement;

ii. Knowingly leasing to ineligible households that do not qualify as Senior Citizen households;

iii. Knowingly allowing the tenants to exceed the prescribed occupancy levels without taking immediate steps to stop such overcrowding;

iv. Failing to timely maintain the Project and the Site in the manner required by this Agreement (including applicable cure periods);

v. Failing to timely submit the reports as required by this Agreement or failing to submit materially complete reports (including applicable cure periods);

vi. Fraud in connection with any document or representation relating to this Agreement or embezzlement of Project monies; and

vii. Failing to provide reasonable cooperation to the City's Police Department in any criminal or investigatory matter.

viii. Repeated, substantiated complaints of, or continued conditions of, poor service quality or failure to maintain the Site as required by Article E hereof such that nuisance conditions arise. For purposes of this Section, the term "nuisance conditions" shall include any condition that substantiates a code enforcement violation under the City of Irwindale Municipal Code, such as:

- Persistent debris and litter on the Site without prompt cleaning by the Qualified Manager,
- Violations of building safety standards required under local or state laws,
- Any recurrent or persistent failure to repair, reconstruct or repaint any structure(s) which have been damaged, defaced (e.g., graffiti) or have deteriorated, regardless of whether such deterioration is due to poor maintenance or through the course of normal wear and tear.
- Any condition that threatens the public health and safety.
- Repeated violations of this Agreement or of the Irwindale Municipal Code that are not directly identified above may

amount to Serious Mismanagement if such violations are recurrent to such an extent that, regardless of any cure, their repetitive nature amounts to a continuing violation.

c. *Termination of Qualified Manager; Notice/Cure Periods.* Within ten (10) days following the Participant's receipt of a Notice of Serious Mismanagement, the Authority, Qualified Manager and the Participant shall meet and confer in good faith concerning the nature of the Authority's alleged deficiencies and the actions which the Authority believes necessary to cure such deficiencies. Within thirty (30) days from the conclusion of such discussions, the Participant shall cure such deficiencies and shall ensure that such deficiencies do not recur. If such deficiencies are not cured within said thirty (30) day period, or if such deficiencies recur at a future date, the Authority may, at its option, require the Participant to replace the Site manager with another Qualified Manager selected by the Participant in it's reasonable discretion, provided, that the Participant shall ensure that such replacement Qualified Manager has the necessary skills, experience and financial ability to operate and manage the Site in accordance with all of the requirements and standards of this Agreement, the Lease/Regulatory Agreement and all other applicable laws and ordinances.

2. Qualified Manager Contract Terminable. Any contract for the operation or management of the Site entered into by the Participant shall provide that such contract shall be terminated upon thirty (30) days' notice, with or without cause. The Participant's failure to remove and replace a Qualified Manager in accordance with the provisions of Section F.1 shall constitute an event of default under this Agreement.

3. Qualifications/Duties of Qualified Manager. The Qualified Manager shall be qualified and able to promptly respond to tenant maintenance requests and tenant emergencies by promptly routing such matters to appropriate maintenance service providers or emergency services. The Qualified Manager shall reside in the designated "Manager's Unit" and shall be retained at no cost to the Authority, Agency or City. The Qualified Manager is expected to be promptly responsive to tenant needs, particularly by promptly or immediately contacting appropriate medical, maintenance, police or fire services when needed for response to a tenant emergency threatening the health, safety or welfare of any person. The Qualified Manager may perform maintenance duties on the Site, or chores and maintenance duties that are beyond the scope of the Qualified Manager may be contracted-out to an outside service provider, provided that the costs of such contracted services shall be the sole responsibility of Participant. From time-to-time, the Authority and Participant may develop a written policy detailing the specific scope of the Qualified Manager's duties, qualifications, responsibilities and response times pursuant to this Section.

G. COMPLIANCE WITH LAWS.

1. State and Local Laws. Participant shall comply with all ordinances, regulations and standards of the City, Authority and Agency applicable to the Site. Participant shall comply with all rules and regulations of any assessment district of the City with jurisdiction over the Site.

2. Lease Approval. Authority shall have the right but is not required to approve any lease forms, revisions, amendments or modification made to same, used by the Qualified Manager or Qualified Managers for leasing Restricted Units within the Site.

H. INSURANCE.

1. Duty to Procure Insurance. Participant covenants and agrees for itself, and its assigns and successors-in-interest in the Site that from completion of the Project as evidenced by City's issuance of a Certificate of Completion per the DDA, and continuing thereafter until the expiration of the 55-Year Affordability Period, Participant or such successors and assigns shall procure and keep in full force and effect or cause to be procured and kept in full force and effect for the mutual benefit of Participant and Authority, and shall provide Authority evidence reasonably acceptable to Executive Director, insurance policies meeting the minimum requirements set forth below:

a. Commercial General Liability insurance with respect to the Site and the operations of or on behalf of Participant, in an amount not less than Two Million Dollars ($2,000,000) per occurrence combined single limit including products, completed operations, incidental, contractual, bodily injury, personal injury, death and property damage liability per occurrence, subject to such increases in amount as Authority may reasonably require from time to time. The insurance to be provided by Participant may provide for a deductible or self-insured retention of not more than Twenty-five Thousand Dollars ($25,000), with such maximum amount to increase at the same rate as the periodic increases in the minimum amount of total insurance coverage set forth above.

b. With respect to the improvements and any fixtures and furnishings to be owned by Participant on the Site, All Risk Property insurance against fire, extended coverage, vandalism, and malicious mischief, and such other additional perils, hazards, and risks as now are or may be included in the standard "all risk" form in general use in Los Angeles County, California, with the standard form fire insurance coverage in an amount equal to full actual replacement cost thereof, as the same may change from time to time. The above insurance policy or policies shall include coverage for earthquake to the extent generally and commercially available at commercially reasonable rates, as determined by Participant. City, Authority and Agency shall be loss payees under such policy or policies and such insurance shall contain a replacement cost endorsement.

c. All policies of insurance required to be carried by Participant shall be written by responsible and solvent insurance companies licensed or authorized to do business in the State of California and having a policy-holder's rating of A or better, in the most recent addition of "Best's Key Rating Guide -- Property and Casualty." A copy of each paid-up policy evidencing such insurance (appropriately authenticated by the insurer) or a certificate of the insurer, certifying that such policy has been issued, providing the coverage required herein, and containing the provisions specified herein, shall be delivered to Authority prior to its issuance of the Certificate of Completion for the Project per the DDA and thereafter, upon renewals, not less than thirty (30) days prior to the expiration of coverage. Authority may, at any time, and from time to time, inspect and/or copy any and all insurance policies required to be procured by

Participant hereunder. In no event shall the limits of any policy be considered as limiting the liability of Participant hereunder.

d. Each insurance policy required to be carried by Participant pursuant to this Agreement shall contain the following endorsements, provisions or clauses:

i. The insurer will not cancel or materially alter the coverage provided by such policy in a manner adverse to the interest of the insured without first giving Authority a minimum of thirty (30) days prior written notice by certified mail, return receipt requested; and

ii. A waiver by the insurer of any right to subrogation against Authority, its agents, employees, or representatives, which arises or might arise by reason of any payment under such policy or policies or by reason of any act or omission of Authority, its agents, officers, members, officials, employees, or representatives.

iii. The City, Agency, Authority and their respective agents, officers, members, officials, employees, volunteers, and representatives shall be named insureds on the Commercial General Liability policies.

iv. The City, Authority and Agency shall be loss payees on the All Risk Property insurance policies.

v. Coverage provided by these policies shall be primary and non-contributory to any insurance carried by the City, Agency, their officers, officials, employees, volunteers, agents, or representatives.

vi. Failure to comply with reporting provisions shall not affect coverage provided to City, Authority or Agency, their officers, employees, volunteers, agents, or representatives.

2. Updates in Insurance. Authority's Executive Director may require an increase in the minimum limits of the insurance policies required by this Article as such increases are reasonably determined necessary to provide for changes in cost of living, liability exposure, the market for insurance, or the use of the Site. Such increases in insurance coverage shall be effective upon receipt of written notice from the Executive Director, provided that Participant shall have the right to appeal a determination of increased coverage by the Executive Director to the Authority Board within 30 days of receipt of notice from the Executive Director.

3. Waiver. Authority's Executive Director may waive or modify the insurance requirements set forth herein if such insurance is determined by the Executive Director not to be commercially available. Participant shall submit such evidence of commercial availability as is reasonably required by the Executive Director. At least annually, Participant shall review the availability of any insurance requirement waived or modified pursuant to this Article, and shall meet any such insurance requirement as such insurance becomes commercially available.

4. Failure to Procure Insurance. If Participant fails to procure and maintain the above-required insurance despite its commercial availability, then Authority, in addition to any other remedy which Authority may have hereunder for Participant's failure to procure, maintain, and/or pay for the insurance required herein, may (but without any obligation to do so) at any time or from time to time, after thirty (30) days written notice to Participant, procure such insurance and pay the premiums therefor, in which event Participant shall immediately repay Authority all sums so paid by Authority together with interest thereon at the maximum legal rate.

I. OBLIGATION TO REPAIR.

1. Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance. Subject to Section I.3 below, if the Project shall be totally or partially destroyed or rendered wholly or partly uninhabitable by fire or other casualty required to be insured against by Participant, Participant shall promptly proceed to obtain insurance proceeds and take all steps necessary to begin reconstruction and, immediately upon receipt of insurance proceeds, to promptly and diligently commence the repair or replacement of the Project to substantially the same condition as the Project is required to be maintained in pursuant to this Agreement, whether or not the insurance proceeds are sufficient to cover the actual cost of repair, replacement, or restoration, and Participant shall complete the same as soon as possible thereafter so that the Project can continue to be operated and occupied as an affordable housing project in accordance with this Agreement. Subject to extensions of time for "force majeure" events described in the DDA, in no event shall the repair, replacement, or restoration period exceed one (1) year from the date Participant obtains insurance proceeds unless Authority's Executive Director, in his or her sole and absolute discretion, approves a longer period of time. Authority shall cooperate with Participant, at no expense to Authority, in obtaining any governmental permits required for the repair, replacement, or restoration. If, however, the then-existing laws of any other governmental agencies with jurisdiction over the Property do not permit the repair, replacement, or restoration, Participant may elect not to repair, replace, or restore the Project by giving notice to Authority (in which event Participant shall be entitled to all insurance proceeds but Participant shall be required to remove all debris from the Site) or Participant may reconstruct such other improvements on the Site as are consistent with applicable land use regulations and approved by the City, Authority, Agency, and the other governmental agency or agencies with jurisdiction.

If Participant fails to obtain insurance as required by the DDA or this Agreement (and Authority has not procured such insurance and charged Participant for the cost), Participant shall be obligated to reconstruct and repair any partial or total damage to the Project and improvements located on the site in accordance with this Section I.1.

2. Continued Operations. During any period of repair, Participant shall continue, or cause the continuation of, the operation of the Project to the extent reasonably practicable from the standpoint of prudent business management.

3. Damage or Destruction Due to Cause Not Required to be Covered by Insurance. If the improvements comprising the Project are completely destroyed or substantially damaged by a casualty for which Participant is not required to (and has not) insure against, then Participant shall not be required to repair, replace, or restore such improvements and may elect not to do so by providing Authority with written notice of election not to repair, replace, or

restore within ninety (90) days after such substantial damage or destruction. In such event, Participant shall remove all debris from the Property. As used in this Section I.3, "substantial damage" caused by a casualty not required to be (and not) covered by insurance shall mean damage or destruction which is [ten] percent [(10%)] or more of the replacement cost of the improvements comprising the Project. In the event Participant does not timely elect not to repair, replace, or restore the improvements as set forth in the first sentence of this Section I.3, Participant shall be conclusively deemed to have waived its right not to repair, replace, or restore the improvements and thereafter Participant shall promptly commence and complete the repair, replacement, or restoration of the damaged or destroyed improvements in accordance with Section I.1 above and continue operation of the apartment complex during the period of repair (if practicable) in accordance with Section I.2 above.

J. LIMITATION ON TRANSFERS.

The Participant covenants that Participant shall not transfer the Site or any of its interests therein except as provided in this Section.

1. Transfer Defined. As used in this Section, the term "transfer" shall include any assignment, hypothecation, mortgage, pledge, conveyance, or encumbrance of this Agreement, the Site, or the improvements thereon. A transfer shall also include the transfer to any person or group of persons acting in concert of more than twenty-five percent (25%) (in the aggregate) of the present ownership and/or control of any person or entity constituting Participant or its general partners, taking all transfers into account on a cumulative basis, except transfers of such ownership or control interest between members of the same immediate family, or transfers to a trust, testamentary or otherwise, in which the beneficiaries are limited to members of the transferor's immediate family, or among the entities constituting Participant or its general partners or their respective shareholders. In the event any entity constituting Participant, its successor or the constituent partners of Participant or any successor of Participant, is a corporation or trust, such transfer shall refer to the transfer of the issued and outstanding capital stock of such corporation, of beneficial interests of such trust; in the event that any entity constituting Participant, its successor or the constituent partners of Participant or any successor of Participant is a limited or general partnership, such transfer shall refer to the transfer of more than twenty-five percent (25%) of such limited or general partnership interest; in the event that any entity constituting Participant, its successor or the constituent partners of Participant or any successor of Participant is a joint venture, such transfer shall refer to the transfer of more than twenty-five percent (25%) of the ownership and/or control of any such joint venture partner, taking all transfers into account on a cumulative basis.

2. Authority Approval of Transfer Required. Participant shall not transfer the Site or any of Participant's rights hereunder, or any interest in the Site or in the improvements thereon, directly or indirectly, voluntarily or by operation of law, except as provided below, without the prior written approval of Authority, and if so purported to be transferred, the same shall be null and void. In considering whether it will grant approval of any transfer by Participant of its interest in the Site, Authority shall consider factors such as (i) whether the completion of the Project is jeopardized; (ii) the financial credit, strength, and capability of the proposed transferee to perform Participant's obligations hereunder; and (iii) the proposed transferee's experience and expertise in the planning, financing, development, ownership, and operation of similar projects.

In the absence of specific written agreement by Authority, no transfer by Participant of all or any portion of its interest in the Site (including without limitation a transfer not requiring Authority approval hereunder) shall be deemed to relieve it or any successor party from the obligation to complete the Project or any other obligations under this Agreement. In addition, no attempted transfer of any of Participant's obligations hereunder shall be effective unless and until the successor party executes and delivers to Authority an assumption agreement in a form approved by the Authority assuming such obligations.

3. Exceptions. The foregoing prohibition shall not apply to any of the following:

a. Any mortgage, deed of trust, sale/lease-back, or other form of conveyance for financing, but Participant shall notify Authority in advance of any such mortgage, deed of trust, or other form of conveyance for financing pertaining to the Site.

b. Any mortgage, deed of trust, sale/lease-back, or other form of conveyance for restructuring or refinancing of any amount of indebtedness described in subsection (a) above, provided that the amount of indebtedness incurred in the restructuring or refinancing does not exceed the outstanding balance on the debt incurred to finance the acquisition of the Site and construction of improvements on the Site, including any additional costs for completion of construction, whether direct or indirect, based upon the estimates of architects and/or contractors.

c. After recordation of the Release of Construction Covenants, any mortgage, deed of trust, sale/lease-back, or other form of conveyance for financing provided that the principal amount of the loan does not exceed eighty-five percent (85%) of the value of the land and improvements thereon.

d. The granting of easements to any appropriate governmental agency or utility to facilitate the development of the Site.

e. A sale or transfer resulting from or in connection with a reorganization as contemplated by the provisions of the Internal Revenue Code of 1986, as amended or otherwise, in which the ownership interests of a corporation are assigned directly or by operation of law to a person or persons, firm or corporation which acquires the control of the voting capital stock of such corporation or all or substantially all of the assets of such corporation.

f. A transfer of forty-nine percent (49%) or more ownership interest to a member of the transferor's immediate family, a trust, testamentary or otherwise, in which immediate family members of the transferor are the sole beneficiaries, or a corporation or partnership in which the immediate family members or shareholders of the transferor have controlling majority interest of more than fifty percent (50%).

g. A change in the respective percentage ownership interests exclusively of the present Participants of Participant (as of the date of this Agreement), but this shall not authorize the transfer of any interest to any person or entity who is not a present Participant of Participant.

K. ENFORCEMENT.

In the event Participant defaults in the performance or observance of any covenant, agreement or obligation of Participant pursuant to this Agreement, and if such default remains uncured for a period of thirty (30) days after written notice thereof shall have been given by Authority, or, in the event said default cannot be cured within said time period, Participant has failed to commence to cure such default within said thirty (30) days and thereafter fails to diligently prosecute said cure to completion, then Authority shall declare an "Event of Default" to have occurred hereunder, and, at its option, may take one or more of the following steps:

a. By mandamus or other suit, action or proceeding at law or in equity, require Participant to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of this Agreement; or

b. Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of Participant hereunder; or

c. Enter the Site and cure the Event of Default as provided in Section E.6 hereof.

d. Impose, through Authority's Executive Director, an administrative fine for each day the violation continues. The amount of the fine shall be Twenty-Five dollars ($25.00) per day, unless the violation is deemed a major violation, in which case the fine shall be Seventy-Five dollars ($75.00) per day. The amounts of the foregoing fines shall be automatically increased by Five Dollars ($5.00) every five (5) years during the Term of this Agreement. For purposes of this Section, a "major" violation shall be one which affects adjacent property or the health and safety of persons. Participant may appeal the assessment of any fine to the Authority Board who may reverse, modify or uphold the decision of the Executive Director. In making this decision, the Agency Board shall determine whether the violation exists and whether the amount of the fine is appropriate under the circumstances.

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of its rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by another party.

L. NONDISCRIMINATION.

There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, or any part thereof, nor shall Participant, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site, or any part thereof (except as permitted by this Agreement).

M. COMPLIANCE WITH AUTHORITIY'S LAS CASITAS HOUSING GUIDELINES.

In addition to the provisions of this Agreement, Participant agrees to abide by the Authority's duly-adopted "Las Casitas Housing Guidelines" (**"Guidelines"**) as such Guidelines may be amended by the Authority from time to time. A true and correct copy of the Guidelines as in effect as of the Effective Date of this Agreement are attached hereto as Exhibit "I". The Authority shall notify Participant in writing of any proposed, substantive amendments to the Guidelines.

N. COVENANTS TO RUN WITH THE LAND.

Participant hereby subjects the Site to the covenants, reservations, and restrictions set forth in this Agreement. Authority and Participant hereby declare their express intent that all such covenants, reservations, and restrictions shall be deemed covenants running with the land and shall pass to, burden, and be binding upon the Participant's successors in title to the Site; provided, however, that on the termination of this Agreement said covenants, reservations and restrictions shall expire. All covenants without regard to technical classification or designation shall be binding for the benefit of the Authority, and such covenants shall run in favor of the Authority and for the benefit of the Public Parcels identified in Exhibit C hereto for the entire term of this Agreement, without regard to whether the Authority is or remains an owner of any land or interest therein to which such covenants relate. Each and every contract, deed or other instrument hereafter executed covering or conveying the Site or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations, and restrictions, regardless of whether such covenants, reservations, and restrictions are set forth in such contract, deed or other instrument.

Pursuant to California Civil Code Section 1468, the obligations of this Agreement burden the Site for the benefit of the Public Parcels, the parcels comprising the Banning Redevelopment Project Area and other surrounding lands impacted by the blighted conditions of the Site. Authority and Participant hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that Participant's legal interest in the Site is rendered less valuable thereby. Authority and Participant hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Eligible Tenants, the intended beneficiaries of such covenants, reservations, and restrictions, and by furthering the public purposes for which the Authority was formed.

Participant, in exchange for the Authority entering into the DDA, hereby agrees to hold, sell, and convey the Site subject to the terms of this Agreement. Participant also grants to the Authority, Agency and the City the right and power to enforce the terms of this Agreement against the Participant and all persons having any right, title or interest in the Site or any part thereof, their heirs, successive owners and assigns.

O. INDEMNIFICATION.

Participant agrees for itself and its successors and assigns to indemnify, defend, and hold

harmless Authority, Agency, City, and their respective officers, members, officials, employees, agents, volunteers, and representatives from and against any loss, liability, claim, or judgment relating in any manner to the Project excepting only any such loss, liability, claim, or judgment arising out of the intentional wrongdoing or gross negligence of Authority, Agency, City, or their respective officers, officials, employees, members, agents, volunteers, or representatives. Participant, while in possession of the Site, and each successor or assign of Participant while in possession of the Site, shall remain fully obligated for the payment of property taxes and assessments in connection with the Site. The foregoing indemnification, defense, and hold harmless agreement shall only be applicable to and binding upon the party then owning the Site or applicable portion thereof.

P. ATTORNEYS' FEES.

In the event that a party to this Agreement brings an action against the other party hereto by reason of the breach of any condition, covenant, representation or warranty in this Agreement, or otherwise arising out of this Agreement, the prevailing party in such action shall be entitled to recover from the other reasonable expert witness fees, and its attorney's fees and costs. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, including the conducting of discovery.

Q. AMENDMENTS.

This Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County of Los Angeles.

R. NOTICE.

Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

Authority: Irwindale Housing Authority
5050 N Irwindale Avenue
Irwindale, CA 91706
Attn: Executive Director

Copy to: Aleshire & Wynder, LLP
18881 Von Karman, Suite 1700
Irvine, CA 92612
Attn: Fred Galante, Esq.

Participant: The Northridge Group, Inc.
798 Pine Knot Ave., P.O. Box 134401,
Big Bear Lake, CA 92315
Attn: William Jahn

Copy to: Patrick Ragan, Esq.
1881 S. Business Center Dr., Suite 7B
San Bernardino, CA 92408

The notice shall be deemed given three (3) business days after the date of mailing, or, if personally delivered, when received.

S. SEVERABILITY/WAIVER/INTEGRATION.

a. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

b. Waiver. A waiver by either party of the performance of any covenant or condition herein shall not invalidate this Agreement or waive any other covenants or conditions, nor shall the delay or forbearance by either party in exercising any remedy or right be considered a waiver of, or an estoppel against, the later exercise of such remedy or right.

c. Integration. This Agreement contains the entire Agreement between the parties and neither party relies on any extraneous warranty or representation.

T. CONFLICT OF CONTRACT LANGUAGE.

In the event there is any conflict between the terms of this Regulatory Agreement and the terms of the DDA, the controlling language shall be determined as follows:

a. Prior to the issuance of a Certificate of Completion for the Project (as described in § 615 of the DDA), the terms and language of the DDA shall be controlling.

b. After issuance of a Certificate of Completion for the Project (as described in § 615 of the DDA), the terms and language of this Agreement shall be controlling.

U. FUTURE ENFORCEMENT.

The parties hereby agree that should the Authority cease to exist as an entity at any time during the term of this Agreement, the City of Irwindale shall have the right to enforce all of the terms and conditions herein, unless the Authority had previously specified another entity to enforce this Agreement.

V. GOVERNING LAW.

This Agreement shall be governed by the laws of the State of California.

W. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall constitute one original and all of which shall be one and the same instrument.

[Signatures on Next Page]

IN WITNESS WHEREOF, the Authority and Participant have executed this Regulatory Agreement and Declaration of Covenants and Restrictions by duly authorized representatives on the date first written hereinabove.

03.23.11
Date

"AUTHORITY"
IRWINDALE HOUSING AUTHORITY, a public body corporate and politic

Chair

ATTEST:

Authority Secretary
Assistant

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Fred Galante, Authority Counsel

March 19th 2011
Date

"PARTICIPANT"
THE NORTHRIDGE GROUP, INC., a California corporation

W.E. Jahn, Executive Vice President

Alex Blanco, CFO
AKA ALEJANDRO BLANCO

[End of Signatures]

STATE OF CALIFORNIA)
) ss.
COUNTY OF XX)

On INSERT ____, 2011, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF CALIFORNIA)
) ss.
COUNTY OF XX)

On INSERT ____, 2011, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF CALIFORNIA)
) ss.
COUNTY OF XX)

On INSERT ____, 2011, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF CALIFORNIA)
) ss.
COUNTY OF XX)

On INSERT ____, 2011, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

☒ See Attached Document (Notary to cross out lines 1–6 below)
☐ See Statement Below (Lines 1–6 to be completed only by document signer[s], *not* Notary)

1
2
3
4
5
6

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

State of California
County of San Bernardino

Subscribed and sworn to (or affirmed) before me on this 19th day of March, 2011,
by
(1) William E. Jahn,
Name of Signer
proved to me on the basis of satisfactory evidence to be the person who appeared before me (.) (,)

(and

(2) _____,
Name of Signer
proved to me on the basis of satisfactory evidence to be the person who appeared before me.)

Signature Fawnya Ramirez
Signature of Notary Public

FAWNYA RAMIREZ
Commission # 1911802
Notary Public - California
San Bernardino County
My Comm. Expires Nov 2, 2014

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Further Description of Any Attached Document

Title or Type of Document: Regulatory Agreement

Document Date: 3/19/2011 Number of Pages: 41

Signer(s) Other Than Named Above: _____

RIGHT THUMBPRINT OF SIGNER #1	RIGHT THUMBPRINT OF SIGNER #2
Top of thumb here	Top of thumb here

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CALIFORNIA JURAT WITH AFFIANT STATEMENT

☑ See Attached Document (Notary to cross out lines 1–6 below)
☐ See Statement Below (Lines 1–6 to be completed only by document signer[s], *not* Notary)

1
2
3 N/A
4
5
6

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

State of California
County of SAN BERNARDINO

Subscribed and sworn to (or affirmed) before me on this 21 (Date) day of MARCH (Month), 20 11 (Year),
by
(1) ALEJANDRO BLANCO (Name of Signer),
proved to me on the basis of satisfactory evidence to be the person who appeared before me (.) (,)
(and
(2) N/A (Name of Signer),
proved to me on the basis of satisfactory evidence to be the person who appeared before me.)

Signature _____ (Signature of Notary Public)

CINDY L. BOULWARE
Commission # 1906109
Notary Public - California
San Bernardino County
My Comm. Expires Oct 28, 2014

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

RIGHT THUMBPRINT OF SIGNER #1	RIGHT THUMBPRINT OF SIGNER #2
Top of thumb here	Top of thumb here

Further Description of Any Attached Document

Title or Type of Document: REGULATORY AGREEMENT

Document Date: _____ Number of Pages: 21

Signer(s) Other Than Named Above: _____

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EXHIBIT "A"
LEGAL DESCRIPTION OF PARCEL I

[Insert Legal Description]

LEGAL DESCRIPTION

PARCEL 1:

That portion of the West half of the Northeast Quarter of Section 9, Township 1 South, Range 10 West, in the City of Irwindale, according to the Official Plat of said land filed in the District Land Office April 21, 1877 described as follows:

Beginning at a point in the North line of said Section 9, distant Easterly thereon 1102.10 feet from the West line of said Northeast Quarter of said Section, thence continuing along said Northerly line North 89 degrees 48' 05" East 79.60 feet, thence South 0 degrees 40' 25" West 190.09 feet, thence South 89 degrees 00' 07" West 79.30 feet to a point nearing South 0 degrees 43' 02" West 191.74 feet from the point of beginning, thence North 0 degrees 43' 02" East 191.74 feet to the point of beginning.

Excepting from said land the interest in the North 20 feet thereof reserved by A. G. Bottller in deed recorded April 29, 1898, in Book 1220, page 190 of Deeds.

Said land is also known as Parcel 17 of Official Maps, in the City of Irwindale, County of Los Angeles, as per map recorded in Book 4, page(s) 58 to 61, inclusive, of Official Maps, in the Office of the County Recorder of said County.

PARCEL 2:

Parcel 18, in the City of Irwindale, as per Map recorded in Book 4, page(s) 58 to 61, inclusive, of Official Maps, in the Office of the County Recorder of said County.

Said land is also known as a portion of the West half of the Northeast Quarter of Section 9, Township 1 South, Range 10 West, San Bernardino Base and Meridian, in the City of Irwindale, according to the Official Plat of said land filed in the District Land Office April 21, 1877, official records.

95- 934048

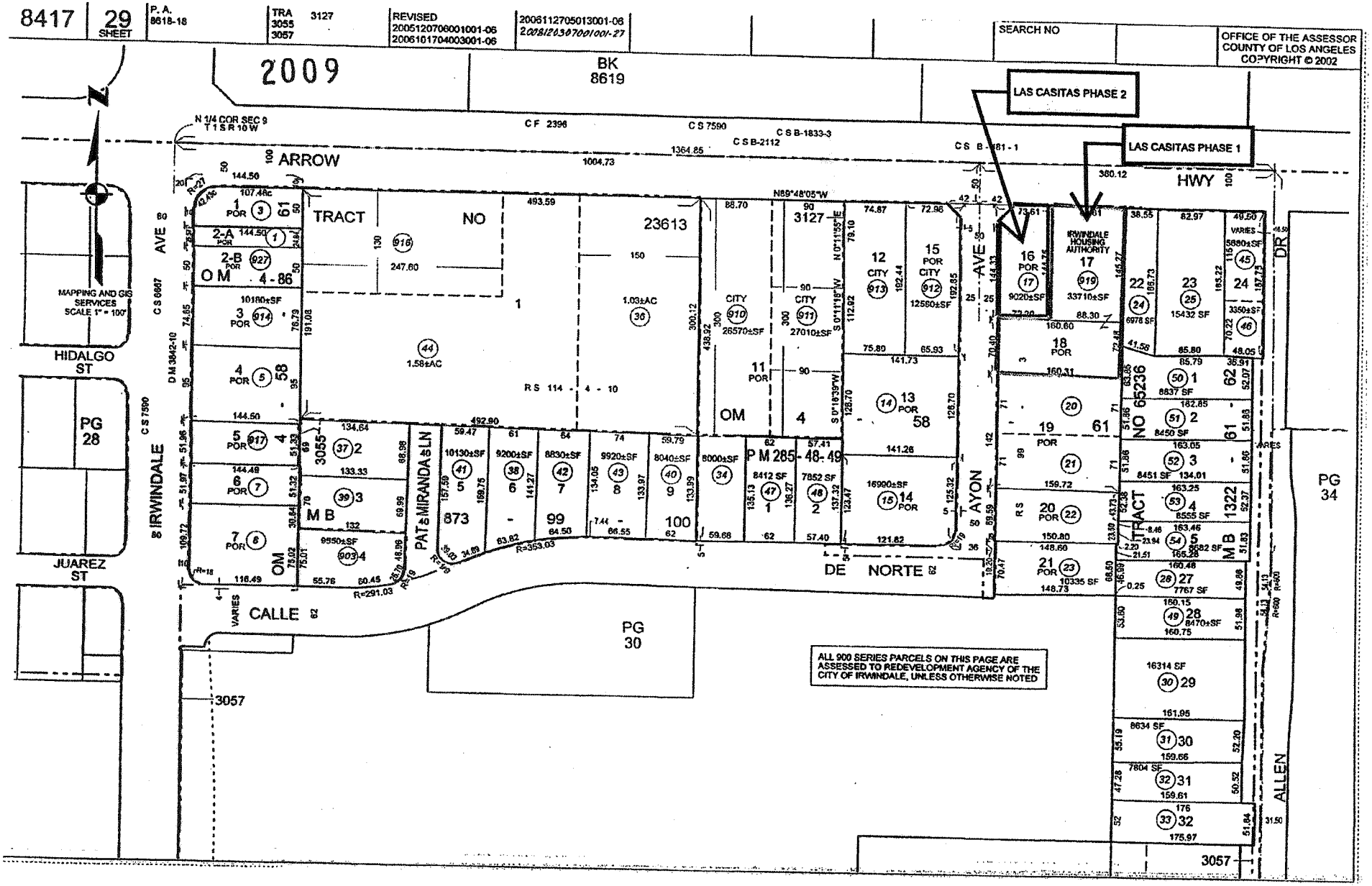
PARCEL 3:

That portion of the West half of the Northeast Quarter of Section 9, Township 1 South, Range 10 West, San Bernardino Base and Meridian, in the City of Irwindale, according to the Official Plat of said land filed in the District Land Office, April 21, 1877, described as follows:

Beginning at a point in the Northerly line of said Section 9, distant Easterly thereon 1007.50 feet from the West line of said Northeast Quarter of said Section; thence Easterly along said Northerly line 94.60 feet; thence South 0° 43′ 02" West 191.74 feet; thence South 89° 00′ 07" West 94.30 feet to a point bearing South 0° 37′ 40" West from the point of beginning; thence North 0° 37′ 40" East 193.73 feet to the point of beginning.

Portion of said land is also known as Parcel 16 of Official Maps, in the City of Irwindale, County of Los Angeles, as per map recorded in Book 4, pages 58-61, inclusive, of Official Maps, in the Office of the County Recorder of said County.

95- 934048


8417
29
SHEET
P.A.
8618-18
TRA
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3127
REVISED
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20061127050130001-06
20081230700100I-27
SEARCH NO
OFFICE OF THE ASSESSOR
COUNTY OF LOS ANGELES
COPYRIGHT © 2002
2009
BK
8619
LAS CASITAS PHASE 2
LAS CASITAS PHASE 1
N 1/4 COR SEC 9
T 1 S R 10 W
CF 2396
CS 7590
CS B-1833-3
CS B-2112
CS B-1881-1
ARROW
HWY
TRACT NO 23613
MAPPING AND GIS SERVICES
SCALE 1" = 100'
HIDALGO ST
JUAREZ ST
IRWINDALE AVE
PG 28
PG 30
PG 34
CALLE
DE NORTE
PAT & MIRANDA LN
AYON AVE
ALLEN DR
IRWINDALE HOUSING AUTHORITY
CITY
OM
PM 285-48-49
TRACT NO 65236
TRACT 1322
ALL 900 SERIES PARCELS ON THIS PAGE ARE ASSESSED TO REDEVELOPMENT AGENCY OF THE CITY OF IRWINDALE, UNLESS OTHERWISE NOTED
3057

EXHIBIT "B"
LEGAL DESCRIPTION OF PARCEL II

[Insert Description]

Real property in the City of Irwindale, County of Los Angeles, State of California, described as follows:

THAT PORTION OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 1 SOUTH, RANGE 10 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF IRWINDALE, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE, APRIL 21, 1877, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF SAID SECTION 9, DISTANT EASTERLY THEREON 1007.50 FEET FROM THE WEST LINE OF SAID NORTHEAST QUARTER OF SAID SECTION; THENCE EASTERLY ALONG SAID NORTHERLY LINE 94.60 FEET; THENCE SOUTH 0° 43' 02" WEST 191.74 FEET; THENCE SOUTH 89° 00' 07" WEST 94.30 FEET TO A POINT BEARING SOUTH 0° 37' 40" WEST FROM THE POINT OF BEGINNING; THENCE NORTH 0° 37' 40" EAST 193.73 FEET TO THE POINT OF BEGINNING.

PORTION OF SAID LAND IS ALSO KNOWN AS PARCEL 16 OF OFFICIAL MAPS, IN THE CITY OF IRWINDALE, COUNTY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 4, PAGES 58-61, INCLUSIVE, OF OFFICIAL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8417-029-017

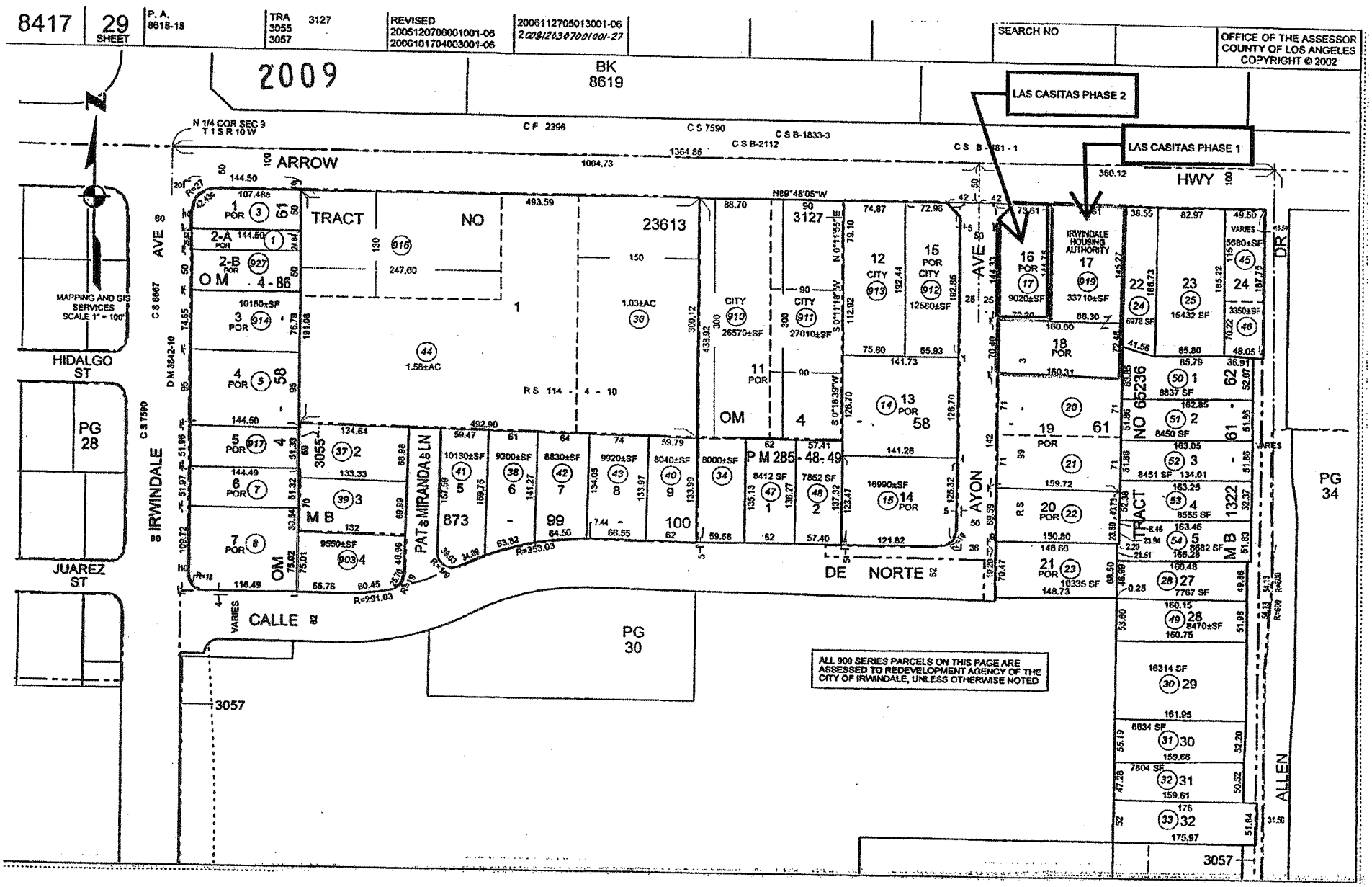
8417
29 SHEET
P. A. 8818-18
TRA 3055 3057 3127
REVISED 20051207060001001-06 20061017040030001-06
20061127050130001-06
SEARCH NO
OFFICE OF THE ASSESSOR COUNTY OF LOS ANGELES COPYRIGHT © 2002
2009
BK 8619
LAS CASITAS PHASE 2
LAS CASITAS PHASE 1
N 1/4 COR SEC 9 T1S R10W
ARROW
HWY
IRWINDALE AVE
HIDALGO ST
JUAREZ ST
CALLE
DE NORTE
AYON AVE
PAT & MIRANDA LN
ALLEN DR
TRACT NO 23613
OM 4-86
M B 873
M B 1322
P M 285-48-49
IRWINDALE HOUSING AUTHORITY
MAPPING AND GIS SERVICES SCALE 1" = 100'
PG 28
PG 30
PG 34
3057
ALL 900 SERIES PARCELS ON THIS PAGE ARE ASSESSED TO REDEVELOPMENT AGENCY OF THE CITY OF IRWINDALE, UNLESS OTHERWISE NOTED

EXHIBIT "C"
LEGAL DESCRIPTION OF WHOLE SITE

[Insert Description]

EXHIBIT "D"
DEPICTION OF PUBLIC PARCELS

[Insert Depiction]

16140 Arrow Hwy, Irwindale, CA 91706
Google

EXHIBIT "E"
KEYSER MARSTON FINANCIAL ANALYSIS OF GUARANTEED RENT

[Insert Analysis]

NET OPERATING INCOME
LAS CASITAS SENIOR APARTMENTS
CITY OF IRWINDALE

	# of Units	Monthly Rent (1)	Total Annual
I. Gross Scheduled Income			
One Bedrooms @ 50% of AMI	25	$500	$150,000
Manager Unit	1	$0	$0
Total/Average	26	$481	$150,000
Add: Other Income	$0	/Unit/Month	$0
(Less) Vacancy @	0.0%	of Income	$0
Effective Gross Income (EGI)			$150,000
II. Operating Expenses			
(Less) Operating Expenses (2)	$3,200	/Unit/Year	($83,000)
(Less) Property Taxes (3)	$346	/Unit/Year	($9,000)
(Less) Replacement Reserves	$350	/Unit/Year	($9,000)
Total Expenses	$3,885	/Unit/Year	($101,000)
	67.3%	of EGI	
III. Net Operating Income			**$49,000**

(1) Reflects Guaranteed Rent.
(2) Includes Contracted Services, Utilities, Turn-Over/Redecorating, Maintenance, and Office (excluding property taxes).
(3) Estimated allowance; not verified by KMA.

Prepared by: Keyser Marston Associates, Inc.
Filename: Irwindale\Las Casitas Pro Forma_v3_33433 Report;3/1/2011;rks

VALUE OF INCOME STREAM - PHASE I
LAS CASITAS SENIOR APARTMENTS
CITY OF IRWINDALE

Lease Year	Guaranteed Rent (1)	(Less) Expenses (2)	Net Operating Income Per Unit	Net Operating Income Annual
1	$500	($324)	$145	$27,846
2	$513	($333)	$147	$28,232
3	$525	($343)	$149	$28,617
4	$538	($354)	$151	$29,003
5	$552	($364)	$153	$29,388
6	$566	($375)	$155	$29,773
7	$580	($387)	$157	$30,157
8	$594	($398)	$159	$30,540
9	$609	($410)	$161	$30,922
10	$624	($422)	$163	$31,301
11	$640	($435)	$165	$31,678
12	$656	($448)	$167	$32,052
13	$672	($462)	$169	$32,423
14	$689	($475)	$171	$32,791
15	$706	($490)	$173	$33,154
16	$724	($504)	$175	$33,513
17	$742	($519)	$176	$33,867
18	$761	($535)	$178	$34,215
19	$780	($551)	$180	$34,557
20	$799	($568)	$182	$34,891
21	$819	($585)	$183	$35,219
22	$840	($602)	$185	$35,538
23	$861	($620)	$187	$35,848
24	$882	($639)	$188	$36,149
25	$904	($658)	$190	$36,439
26	$927	($678)	$191	$36,719
27	$950	($698)	$193	$36,986
28	$974	($719)	$194	$37,240
29	$998	($741)	$195	$37,481
30	$1,023	($763)	$196	$37,707
31	$1,049	($786)	$197	$37,917
32	$1,075	($809)	$198	$38,111
33	$1,102	($834)	$199	$38,287
34	$1,129	($859)	$200	$38,444
35	$1,158	($884)	$201	$38,581
36	$1,187	($911)	$202	$38,696
37	$1,216	($938)	$202	$38,789
38	$1,247	($966)	$202	$38,858
39	$1,278	($995)	$203	$38,902

Escalation Factors	
Income	2.5%
Expenses	3.0%

(1) Reflects Guaranteed Income for 15 units.

(2) Reflects total operating expenses of $3,885/unit/year for 16 units. See Table 6.

Prepared by: Keyser Marston Associates, Inc.
Filename: i: Irwindale\Las Casitas Pro Forma_v3_33433 Report;3/1/2011;rks

VALUE OF INCOME STREAM - PHASE I
LAS CASITAS SENIOR APARTMENTS
CITY OF IRWINDALE

Lease Year	Guaranteed Rent (1)	(Less) Expenses (2)	Net Operating Income Per Unit	Net Operating Income Annual
40	$1,310	($1,025)	$203	$38,919
41	$1,343	($1,056)	$203	$38,908
42	$1,376	($1,088)	$202	$38,866
43	$1,410	($1,120)	$202	$38,794
44	$1,446	($1,154)	$202	$38,688
45	$1,482	($1,189)	$201	$38,548
46	$1,519	($1,224)	$200	$38,371
47	$1,557	($1,261)	$199	$38,155
48	$1,596	($1,299)	$197	$37,898
49	$1,636	($1,338)	$196	$37,599
50	$1,677	($1,378)	$194	$37,255
51	$1,719	($1,419)	$192	$36,863
52	$1,762	($1,462)	$190	$36,422
53	$1,806	($1,506)	$187	$35,930
54	$1,851	($1,551)	$184	$35,383
55	$1,897	($1,597)	$181	$34,778
Present Value in Calendar Year 0 @			**8.0%**	**$364,000**
Per Unit				**$22,750**

(2) Reflects total operating expenses of $3,885/unit/year for 16 units. See Table 6.

VALUE OF INCOME STREAM - PHASE II
LAS CASITAS SENIOR APARTMENTS
CITY OF IRWINDALE

Year	Guaranteed Rent (1)	(Less) Expenses (2)	Net Operating Income Per Unit	Net Operating Income Annual
1	$500	($324)	$176	$21,154
2	$513	($333)	$179	$21,488
3	$525	($343)	$182	$21,826
4	$538	($354)	$185	$22,165
5	$552	($364)	$188	$22,507
6	$566	($375)	$190	$22,851
7	$580	($387)	$193	$23,197
8	$594	($398)	$196	$23,545
9	$609	($410)	$199	$23,895
10	$624	($422)	$202	$24,246
11	$640	($435)	$205	$24,599
12	$656	($448)	$208	$24,953
13	$672	($462)	$211	$25,308
14	$689	($475)	$214	$25,664
15	$706	($490)	$217	$26,020
16	$724	($504)	$220	$26,377
17	$742	($519)	$223	$26,734
18	$761	($535)	$226	$27,090
19	$780	($551)	$229	$27,447
20	$799	($568)	$232	$27,802
21	$819	($585)	$235	$28,157
22	$840	($602)	$238	$28,510
23	$861	($620)	$241	$28,861
24	$882	($639)	$243	$29,210
25	$904	($658)	$246	$29,557
26	$927	($678)	$249	$29,901
27	$950	($698)	$252	$30,242
28	$974	($719)	$255	$30,579
29	$998	($741)	$258	$30,913
30	$1,023	($763)	$260	$31,241
31	$1,049	($786)	$263	$31,564
32	$1,075	($809)	$266	$31,882
33	$1,102	($834)	$268	$32,193
34	$1,129	($859)	$271	$32,498
35	$1,158	($884)	$273	$32,795
36	$1,187	($911)	$276	$33,085
37	$1,216	($938)	$278	$33,365
38	$1,247	($966)	$280	$33,636
39	$1,278	($995)	$282	$33,897

Escalation Factors	
Income	2.5%
Expenses	3.0%

(1) Reflects Guaranteed Income for 10 units.

(2) Reflects total operating expenses of $3,885/unit/year for 10 units. See Table 6.

Prepared by: Keyser Marston Associates, Inc.

Filename: i: Irwindale\Las Casitas Pro Forma_v3_33433 Report;3/1/2011;rks

VALUE OF INCOME STREAM - PHASE II
LAS CASITAS SENIOR APARTMENTS
CITY OF IRWINDALE

Year	Guaranteed Rent (1)	(Less) Expenses (2)	Net Operating Income Per Unit	Net Operating Income Annual
40	$1,310	($1,025)	$285	$34,148
41	$1,343	($1,056)	$287	$34,386
42	$1,376	($1,088)	$288	$34,612
43	$1,410	($1,120)	$290	$34,825
44	$1,446	($1,154)	$292	$35,023
45	$1,482	($1,189)	$293	$35,207
46	$1,519	($1,224)	$295	$35,374
47	$1,557	($1,261)	$296	$35,524
48	$1,596	($1,299)	$297	$35,655
49	$1,636	($1,338)	$298	$35,767
50	$1,677	($1,378)	$299	$35,859
51	$1,719	($1,419)	$299	$35,929
52	$1,762	($1,462)	$300	$35,975
53	$1,806	($1,506)	$300	$35,998
54	$1,851	($1,551)	$300	$35,994
55	$1,897	($1,597)	$300	$35,964
Present Value in Calendar Year 0 @			**8.0%**	**$287,000**
Per Unit				**$28,700**

(2) Reflects total operating expenses of $3,885/unit/year for 10 units. See Table 6.

Prepared by: Keyser Marston Associates, Inc.
Filename: i: Irwindale\Las Casitas Pro Forma_v3_33433 Report;3/1/2011;rks

EXHIBIT "F"

FORM CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

Period Covered _____

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE
IRWINDALE HOUSING AUTHORITY OF THE
CITY OF IRWINDALE, CALIFORNIA

The undersigned, THE NORTHRIDGE GROUP, INC., a California corporation (the "Participant"), has read and is thoroughly familiar with the provisions of the Disposition and Development dated _____, 2011, ("DDA") and documents referred to therein executed by Participant and Irwindale Housing Authority ("Agency") including but not limited to the Regulatory Agreement, as such term is defined in the DDA.

As of the date of this Certificate, the following Restricted Units in the Project are: (i) occupied by Qualified Households or Qualified Permanent Residents (as defined in the Regulatory Agreement), or (ii) currently vacant and being held available for such occupancy and have been so held continuously since the date an Qualified Household vacated such Restricted Unit:

	Occupied	Vacant
Qualified Households/Qualified Permanent Residents:	_____	_____

As of the date of this Certificate, the following are numbers of Extremely Low, Very Low, Low, and Moderate Income Senior Citizen Tenants who commenced occupancy of Restricted Units during the preceding year:

Very Low Income Tenants	**Low Income Tenants**	**Low Income Senior Citizen Tenants**	**Very Low Income Senior Citizen Tenants**
Unit Nos. _____	Unit Nos. _____	Unit Nos. _____	Unit Nos. _____

Attached is a separate sheet (the "Occupancy Summary") listing, among other items, the following information for each Restricted Unit: the number of Restricted Unit, the occupants of each Restricted Unit, the rental amount paid for each Restricted Unit, and the size and number of bedrooms of each Restricted Unit. The Participant certifies that the information contained in the Occupancy Summary is true and accurate.

The undersigned hereby certifies that (1) a review of the activities of the Participant during such period and of the Participant's performance under the DDA and the documents

referred to therein has been made under the supervision of the undersigned, and (2) to the best knowledge of the undersigned, based on the review described in clause (1) hereof, the Participant is not in default under any of the terms and provisions of the above documents (or describe the nature of any detail and set forth the measures being taken to remedy such defaults).

THE NORTHRIDGE GROUP, INC., a California corporation

By:_____
W.E. Jahn, Executive Vice President

[End of Signatures]

EXHIBIT "G"
ANNUAL ADJUSTMENT SCHEDULE FOR PREEXISTING TENANTS

[Insert Schedule]

EXHIBIT "G"

Annual Rent Increases Applicable to Preexisting Tenants

Preexisting Tenants are subject to flat-rate Annual Adjustments each year, as follows:

- The Annual Adjustments for Preexisting Tenants shall commence in the year following the start of the 55-Year Affordability Period and adjust annually thereafter.

- No Annual Adjustment may be charged to a Qualified Household if such rent increase would exceed the Affordable Rent level applicable to the Household's Restricted Unit. Prior to levying any Annual Adjustment upon a Qualified Household, the Participant shall verify that the Annual Adjustment will not result in the household paying a rent rate that exceeds its Affordable Rent. To achieve this verification, Participant shall use the most recent income certification/re-certification reports and the Participant shall consider any other information as may be reasonably requested or provided by the Authority.

- Preexisting Tenants shall be subject to no increase in the first year of the 55-Year Affordability Period. However, the monthly rent for each Preexisting Tenant will increase automatically each year after the first year of the 55-Year Affordability Period as follows:

YEAR	AMOUNT ADDED TO PREEXISTING TENANT'S MONTHLY RENT
One (first year of 55-Year Affordability Period)	$0
Two	$13
Three	$12
Four	$13
Five	$14
Six	$14
Seven	$14
Eight	$14
Nine	$15
Ten	$15
Eleven	$16

YEAR	AMOUNT ADDED TO PREEXISTING TENANT'S MONTHLY RENT
Twelve	$16
Thirteen	$16
Fourteen	$17
Fifteen	$17
Sixteen	$18
Seventeen	$18
Eighteen	$19
Nineteen	$19
Twenty	$19
Twenty-One	$20
Twenty-Two	$21
Twenty-Three	$21
Twenty-Four	$21
Twenty-Five	$22
Twenty-Six	$23
Twenty-Seven	$23
Twenty-Eight	$24
Twenty-Nine	$24
Thirty	$25
Thirty-One	$26
Thirty-Two	$26
Thirty-Three	$27
Thirty-Four	$27
Thirty-Five	$29
Thirty-Six	$29

YEAR	AMOUNT ADDED TO PREEXISTING TENANT'S MONTHLY RENT
Thirty-Seven	$29
Thirty-Eight	$31
Thirty-Nine	$31
Forty	$32
Forty-One	$33
Forty-Two	$33
Forty-Three	$34
Forty-Four	$36
Forty-Five	$36
Forty-Six	$37
Forty-Seven	$38
Forty-Eight	$39
Forty-Nine	$40
Fifty	$41
Fifty-One	$42
Fifty-Two	$43
Fifty-Three	$44
Fifty-Four	$45
Fifty-Five	$46

EXHIBIT "H"
MAINTENANCE SCHEDULE/PROGRAM

[Insert Schedule]

Las Casitas
Maintenance Requirements

I. CUSTODIAL AND GROUNDS MAINTENANCE:

Custodial and grounds maintenance involve a planned program of routine daily, weekly and monthly activities to maintain the cleanliness, healthfulness and appearance of the property. Custodial maintenance is performed by the Property Manager and maintenance workers. Duties include: daily site inspections, cleaning of the community rooms, pickup of litter on the grounds, and generation of written maintenance service requests based on the Property Manager's and Maintenance Worker's own inspections and observations, and based on legitimate written requests submitted by residents.

The daily, weekly and monthly common area cleaning is the responsibility of the Property Manager, Maintenance Worker, or by outside contractors when applicable:

A. Daily
1. Patrol site (including parking area(s)), pickup litter and remove shopping carts.
2. Sweep clean litter/debris from community room and empty all waste baskets. Mop/vacuum the community room on Monday, Wednesday and Friday or more frequently if needed.
3. During the daily patrols of the entire site to pick up litter, also inspect for any damage or malfunctions; write a maintenance service request for any problems found.

B. Weekly:
1. Hose or sweep down sidewalks, walkways and trash dumpster area. (During months when there is a substantial amount of rain, hosing down sidewalks may occur less frequently.)
2. An evening lighting inspection to identify and replace any burned out light bulbs.
3. Landscaping maintenance including weeding, tree and shrubbery trimming and spraying, is performed by a contract gardener.
4. Monitor work performed by contract gardener; report problems to the Property Manager.

The Property Manager's work is to be supervised, monitored and inspected by the management company's Supervisor on a monthly basis.

C. Bi-weekly:
1. Inspect landscape sprinkler system to identify any broken heads, lines or other malfunctions; do a work order and repair any problems found; reset timer, if needed.

II. LANDSCAPE MAINTENANCE:

A proposal will go out to bid to landscape contractors which will include the following language:

- All hedges will be trimmed
- Cut Grass to be below 6" inches in height an least once weekly
- Prune trees and shrubs
- Remove weeds, dead or decayed trees, shrubs, and other vegetation from landscape areas.
- Keep irrigation system operative.
- Fertilize landscape areas.

III. RECREATION BUILDING:

In addition to day to day maintenance, the following schedule of maintenance shall be implemented:

A. Monthly
1. Elevator to be inspected and serviced.

B. Quarterly (every 3 months)
1. All HVAC filters changed.

C. Semi-Annual (every 6 months)
1. All windows cleaned (in and out)
2. All paint touched up.

D. Annual (every 12 months)
1. All hard surfaced floors cleaned and sealed.
2. All cabinetry oiled.
3. All shelves and drawers cleaned and wiped down.
4. All window blinds removed and cleaned.
5. All appliances cleaned and wiped down, per manufacture's recommendations.
6. All carpets and rugs cleaned.

E. Every two (2) years
1. All window coverings cleaned.

2. All furniture cleaned.

F. Every three (3) years
1. All interior walls painted.

IV. EXTERIOR MAINTENANCE:

2. Painting/touch up of exterior structures, including mailboxes, fences, gates and the like as needed to preclude peeling, chipping, flaking or oxidation of such coating.
3. Washing/cleaning of windows and skylights on regular maintenance, but not less than quarterly.
4. Maintain all exterior stucco, flashing, trim, fascia, exposed beans, exterior stairways, railings, treads, etc., on an as-needed basis including painting, patching and or/or repair as indicated, to ensure proper functioning of the same.
5. Stripe/sign parking areas as needed.
6. Establishing and maintain regular pest control (ants, hornets, wasps, termites, etc.).

V. INTERIOR (UNIT) MAINTENANCE:

All apartments will be serviced and maintained on an "as needed" basis including, but not limited to, service adjustment and cleaning schedules recommended by manufacturer:

- All plumbing
- All electrical (including emergency call systems).
- All appliances.
- All HVAC systems.
- All window coverings.

A. Vacated Unit Turnovers:

Turnover maintenance involves securing, cleaning and redecorating vacated units for occupancy by new residents. The type and amount of work performed is to be determined by the Property Manager and Maintenance Worker upon performing a move-out inspection after the former resident has vacated the unit on the move-in/move-out "Unit Inspection" form (Attachment ""). The amount of work needed will depend both on the condition the former resident left the unit in and whether a preventive maintenance or replacement item, such as complete unit repainting or re-carpeting, is scheduled for the near future. Dead-bolts (including locks and drums) are replaced on unit exterior doors after a resident moves out. The keys will then need to be re-coded.

Cleaning and repair work on vacated units is performed by the Property Manager and Maintenance Worker, unless there is a problem or repair where a special trades worker is required. In this instance, the Property Manager or Maintenance Worker will call the trades person and arrange to have them do the work. All unit turnover work should be documented with work orders which note the time spent and cost of materials used. If there are cleaning, repairs or replacements necessary which are beyond "normal wear and tear", the appropriate costs are deducted from the former resident's security deposit and detailed on the report mailed to the former resident.

Unless major damage has been done to the unit or substantial replacements are necessary, the normal standard for preparing a unit for re-renting should be within 5 work days of the time it was vacated.

VI. CORRECTIVE MAINTENANCE:

Corrective maintenance involves repairs or replacement of items which are not working or damaged--based on service requests from residents and problems found during inspections. Both should be documented on work orders.

Residents are to come to the Property Manager's office or call the Property Manager to make a maintenance service request. The Property Manager will then fill-out a maintenance work order form to give to the Maintenance Worker and establish the priority in which it should be handled. Based on their own inspections, the Property Manager and maintenance worker should also fill-out maintenance work order forms. Other than routine custodial and grounds maintenance, all maintenance work performed on PROPERTY NAME must be documented on maintenance service request forms. Upon completion, one copy is to remain in the property files, one copy is to be placed in the unit's maintenance file, and one copy should be given to the resident. Additionally, all maintenance requests should be dated at the time they are received and at the time the work has been completed.

A priority system is used for handling corrective maintenance items, based on the seriousness of the problem:

Emergency items, as noted above, must be abated immediately and should be repaired within 24 hours. Graffiti and shopping cart removal are to be considered an emergency item.

Urgent items are problems that involve a major inconvenience, discomfort or hardship to residents and/or could result in further deterioration to the property, if left unattended. Normally, these requests should be handled within 1 to 2 workdays.

Routine items are situations that warrant repair, but are not of an urgent or emergency nature. They also include cosmetic improvements requested by residents or the Property Manager. These should be handled within 3 to 5 workdays of the request, depending on the nature of the job.

When filling out a work order for a resident, where work must be done within the resident's unit, the Property Manager should request written consent by the resident for management to enter the resident's unit when they are not present. If the resident wants to be present when someone is working on the problem, the resident manger will attempt to schedule an appointment with the resident prior to scheduling the work.

If the nature of the work requires the skills of a licensed plumber or electrician, the Property Manager is responsible for calling the appropriately skilled contractor from an approved list. The Property Manager will also be responsible for scheduling an appointment with the resident, only if applicable, and the contractor.

In the event of emergency or urgent work that needs to be done, management may enter the unit without the resident being present. In these cases a notice is left for the resident indicating the time the unit was entered and the reason.

VII. PREVENTIVE MAINTENANCE:

Preventive Maintenance involves a program of planned inspections and servicing intended to reduce the frequency and severity of breakdowns of building systems and also helps to preserve and extend the useful life of building equipment and fixtures.

Management is primarily responsible for performing inspections and scheduling appropriate servicing of common area equipment and for units' space heaters and hot water heaters.

Residents also have an important role in the preventive maintenance program by properly using and cleaning certain appliances and fixtures in their units. Residents should be taught how to use and clean their stove and vent, refrigerator, disposal, and flooring at the time of their initial orientation and/or unit inspection. Their resident handbooks will also contain written information regarding the use and care of these things for their future reference.

The following summarizes the management's, owner's, contractor's and resident's responsibilities in PROPERTY NAME's preventive maintenance program:

Daily:

Maintenance Worker/ Property Manager:	Inspect the site each week-day; document any abnormal or hazardous conditions, any damage, or any special maintenance needs on work orders; correct problems.
Residents:	Clean off any spillage on range/ovens and refrigerators. Porches to be maintained and kept free of debris; parking spaces to be kept free of oil and debris. Take all trash to dumpster. Wash dishes and cover or refrigerate all food to eliminate potential for vermin infestation.

Weekly:

Residents:	Mop vinyl floors. Vacuum carpets.

Bi-weekly:

Maintenance Worker:	Test lawn sprinkler systems to make sure they are functioning properly; repair any leaks, broken heads or malfunctions.

Monthly:

Pest Control Contractor:	Spray exteriors of all buildings.

Quarterly:

Pest Control Contractor:	Spray interiors of 1/4th of all units each quarter; this will result in all interiors of all buildings sprayed for insects at least once per year.
Residents:	Wash/de-grease aluminum range hood filter. Wash surface of range hood. Clean inside surface of refrigerator.

Semi-Annual:

Property Manager/ Property Supervisor:	Conduct a semi-annual inspection of all units to check that all smoke detectors are attached and functioning; check for any malfunctions or damage within units including all water fixtures and appliances; check to assure that a reasonable

	standard of housekeeping is being maintained by residents. If housekeeping problems are found, residents will be notified verbally and in writing. The resident will be provided with a written Lease Violation and notified that more frequent unit inspections will be scheduled. Residents are to be given a written "Notice to Inspect Premises" at least 24 hours prior to the inspections.
Property Manager:	Confirm maintenance records of fire extinguishers.
Property Manager, Maintenance Worker, Property Supervisor, Contractors:	Inspect all unit HVAC systems during annual inspection and replace filters on a quarterly basis.Inspect all unit hot water heaters and related pipe connectors and valves for leaks during the annual inspection; test temperature-pressure-relief valve and replace, if necessary. Check gas vent duct and clean, if necessary. Drain water heater to remove sediment if necessary. Inspect all unit refrigerator condenser coils and water pans during annual inspection.

Annual:

Property Manager, Maintenance Worker, Property Supervisor, Contractors:	Inspect driveway/parking lot paving; seal-up any alligator cracks found. Inspect condition of concrete walkways; order steam cleaning, if necessary. Inspect and clean out, if necessary, roof gutters and drains and wash the outside of all second-story windows. Evaluate condition of landscaping; order replacement planting, pruning, skinning and trim of trees, as needed and appropriate.
Residents:	Clean mini-blinds.

VIII. MAJOR MAINTENANCE & REPLACEMENTS AT PERIODIC INTERVALS:

Property Manager,
Maintenance Worker,
Property Supervisor,
Contractors:

Repaint unit interiors every 5 years, or earlier if necessary upon unit turnover.

Repaint building exteriors between 10-15 years or sooner if needed. (replacement reserve item).

Refinish kitchen and bathroom cabinets every 20 years.
Replace carpeting every 5 years, or earlier, if necessary upon unit turnover (replacement reserve item, unless replaced and paid for with security deposits).

Replace tile/vinyl floors at least every 20 years (replacement reserve item).

Replace ranges every 15 years; and refrigerators every 15 years, as needed (replacement reserve items).

Replace blinds after 7 years, or as needed at unit turnover.

Replace hot water heaters at least every 12 years, if needed (replacement reserve item).

Repair or replace tar and gravel on flat roof areas after 12 years; replace pitched roof tiles after 40 years (replacement reserve item).

Slurry coat and re-stripe parking area after 6 years (replacement reserve item).

Replace screens after 5 to 7 years as needed (normal maintenance item).

Appendix 5

Sample Move-In/Move-Out Inspection Form

Appendix 5: Sample Move-In/Move-Out Inspection Form

[Company name]
[Company address]

Property		Resident	
Apartment No.	Unit Size	Move-In Inspection Date	Move-Out Inspection Date

Item	Condition		Cost to Correct
	Move-In	Move-Out	
ENTRANCE/HALLS			
Steps and landings			
Handrails			
Doors			
Hardware/Locks			
Floors/Coverings			
Walls/Coverings			
Ceilings			
Windows/Coverings			
Lighting[1]			
Electrical Outlets			
Closets[2]			
Fire alarms/equipment			
LIVING ROOM			
Floor/Coverings			
Walls/Coverings			
Ceiling			
Windows/Covering			
Lighting[1]			
Electrical outlets			

Item	Condition		Cost to Correct
	Move-In	Move-Out	
DINING ROOM			
Floor/Coverings			
Walls/Coverings			
Ceiling			
Windows/Coverings			
Lighting[1]			
Electrical outlets			
KITCHEN			
Range			
Refrigerator			
Sink/Faucets[3]			
Floor/Coverings			
Walls/Coverings			
Ceiling			
Windows/Coverings			
Lighting[1]			
Electrical outlets			
Cabinets			
Closets/Pantry[2]			
Exhaust fan			
Fire alarms/equipment			
BEDROOM(S)			
Doors and locks			
Floor/Coverings			
Walls/Coverings			
Ceiling			
Windows/Covering			
Closets[2]			
Lighting[1]			
Electrical outlets			

Item	Condition		Cost to Correct
	Move-In	Move-Out	
BATHROOM(S)			
Sink/Faucets[3]			
Shower/Tub[3]			
Curtain rack/Door			
Towel rack			
Toilet			
Doors/Locks			
Floor/Coverings			
Walls/Coverings			
Ceiling			
Windows/Coverings			
Closets[2]			
Cabinets			
Exhaust fan			
Lighting[1]			
Electrical outlets			
OTHER EQUIPMENT			
Heating Equipment			
Air-conditioning unit(s)			
Hot-water heater			
Smoke/Fire alarms			
Thermostat			
Door bell			
TOTAL			

1. Fixtures, Bulbs, Switches, and Timers
2. Floor/Walls/Ceiling, Shelves/Rods, Lighting
3. Water pressure and Hot water

Move-In

This unit **is in decent, safe and sanitary condition. ** Any deficiencies identified in this report will be remedied within 30 days of the date the tenant moves into the unit.

_____
Manager's Signature

I have inspected the apartment and found **this unit to be in decent, safe and sanitary condition. Any deficiencies are noted above.** I recognize that I am responsible for keeping the apartment in good condition, with the exception of normal wear. In the event of damage, I agree to pay the cost to restore the apartment to its original condition.

_____
Resident's Signature

_____
Resident's Signature

	By	Date
Prepared	_____	_____
Reviewed	_____	_____
Prepared	_____	_____
Reviewed	_____	_____

Move-Out

_____
Manager's Signature

___Agree with move-out inspection
___Disagree with move-out inspection
If disagree, list specific items of disagreement.

_____
_____
_____

_____
Resident's Signature

_____
Resident's Signature

	By	Date
Prepared	_____	_____
Reviewed	_____	_____
Prepared	_____	_____
Reviewed	_____	_____

PREVENTIVE MAINTENANCE SCHEDULE

Preventive Maintenance is regular, systematic inspection, cleaning & repair of equipment & systems in order to prevent unplanned or premature failure.

The checklist needs to be property customized for your individual needs

Instructions:

1 Form can be used as computer spreadsheet
2 Add "X" boxes under appropriate months
3 Insert "Staff" if done in-house, vendor name if contracted out
4 Insert work order # for every task
5 Assign work order for every task
6 Place an N/A for the items that are not on the property

City of IRWINDALE

Property: _____ Date: _____

Area	Item	Task	Frequency	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Performed By	Work Order # completion
***MANDATORY* ROUTINE MAINTENANCE & SAFETY INSPECTIONS**																	
SITE	Q2 Maintenance and Safety Inspection	Submit by June 30th	Annually														
BUILDING EXTERIOR	Q3 Maintenance and Safety Inspection	Submit by September 30	Annually														
BUILDING SYSTEMS	Q1 Maintenance and Safety Inspection	Submit by March 31st	Annually														
COMMON AREAS	Q1 Maintenance and Safety Inspection	Submit by March 31st	Annually														
APARTMENT UNITS	Q4 Annual unit inspections	Per site staff	Annually or re-certification														
PROPERTY	Q4 Emergency & safety property staff walk	Submit by December 31st	Annually														
FACILITIES	Annual inspection	As scheduled	Annually														
SITE																	
Grounds	Landscape regular service	Inspect sod/quality	Monthly														
	Fertilizer & weed	Check for application, etc	Semi-annually														
	Exterior pest control	Check for application, etc	Semi-annually														
Irrigation	Backflow preventer	Inspect/test/repair	Annually														
	Irrigation lines & sprinkler heads	Inspect/adjust/repair	Monthly per season														
	Irrigation controllers & timers	Check & reset	Quarterly														
Parking Lots/Driveways	Automatic vehicle gates	Inspect/repair	Monthly														
Storm Drainage	Catch basins and storm drains	Clean/Repl. missing covers	Quarterly														
Generators	Test runs-exercise, full load	Check documents	Monthly														
	Exercise run, check oil, fuel, visual inspection	Physical run	Weekly														
Other:																	
Other:																	
Other:																	
BUILDING EXTERIOR																	
Building Walls	Building exterior	Clean/powerwash	Annually														
	Siding - cracks/gaps/holes, re-caulk	Inspect/repair	Annually														
Doors	Hardware, locks & closers	Inspect/repair damage	Quarterly														
	Weather stripping	Inspect/replace	Quarterly														
Dryer Vents	Damaged, disconnected or clogged	Clean/repair	Semi-annually														
Fire Escapes	Components	Inspect/repair damage	Annually														
Lighting	Fixtures, bulbs, timers/sensors - exterior	Inspect/repair	Weekly														
Roofs	Gutters, downspouts, drains & scuppers	Inspect/clean/repair	Semi-annually														
	Roof surface	Clean/inspect/repair	Semi-annually														
	Roof vents & flashings	Inspect/repair damage	Semi-annually														
Windows/sliding doors	Caulking/seals/glazing compound, weep holes	Inspect/replace	Semi-annually														
	Security bars, integrity	Inspect	Semi-annually														
Other:																	
Other:																	
Other:																	
BUILDING SYSTEMS & EQUIPMENT																	
Domestic Water	Backflow preventer	Inspect/test/certification	Annually														
	Boiler/HWH exhaust vents (combustion/relief)	Inspect/align/repair	Quarterly														
	Central water supply piping & valves	Inspect/repair leaks	Quarterly														

PREVENTIVE MAINTENANCE SCHEDULE

Area	Item	Task	Frequency	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Performed By	Work Order # completion
	Circulating pump(s)	Lubricate & inspect	Semi-annually														
	Water treatment systems	Inspect/test	Weekly														
	Domestic water boiler(s)	Service & certification	Annually														
	Hot Water Heater(s)(HWH) , 100 gal & above	Flush Tank(s)	Annually														
	HWH seismic straps - tight, wrap-around straps	Inspect/verify	Annually														
	HWH TP relief valve(s) is 6" or less from floor	Inspect/verify	Annually														
Solar panels	Domestic hot water	Inspect/test	Semi-annually or as required by the system														
	PV solar panels	Inspect/test	Semi-annually or as required by the system														
	sump pumps (including sewer lift stations)	Inspect/test	Monthly														
Electrical System	Access to panels/subpanels	Ensure clear/unobstructed	Monthly														
Elevators	Elevator operation & safety	Routine service	Quarterly														
	Elevator permit	Ensure current & posted	Annually														
	Load test, insert date test is due	Ensure current	5 years														
Sesmic	Sesmic valves	Inspect	Annually														
Evacuation	Emergency exit lighting	Inspect/repair	Monthly														
	Evacuation signs	Inspect / replace if missing	Annually														
Fire/CO Protection	Fire alarm control & annunciator panels, review requirements with local Authority Having Jurisdiction, contractor driven	Service & certification	Annually														
	Fire sprinkler system inspection, review requirements with local Authority Having Jurisdiction, contractor driven	Service & certification	Annually														
	Fire spinkler valves (PIV), locked in position with break-away locks, by staff	Visual inspection	Weekly														
	Visual fire sprinkler heads, by staff	Visual inspection	Monthly														
	Refrigerator/freezer compressors	Inspect/service	Annually														
	Range hood & exhaust filter	Inspect/clean	Annually														
HVAC	Circulating pump	Inspect	Weekly														
	Circulating pump(s), as applicable	Lubricate	Semi-annually														
	Filters - furnace, A/C	Replace	Semi-annually, or as necessary														
	Motors, bearings	Lubricate	Semi-annual														
	Service contracts	Inspect for quality of service	Annually														
	Furnace exhaust vent stacks	Inspect/align/repair	Annually														
Roof top	Exhaust fans(motors, fan belts, bearings, obstructions)	Inspect	Monthly														
	Air handlers(filters, motors, fan belts, bearings, obstructions)	Inspect	Monthly														
	Vents and other roof jacks (See also roof inspections)	Inspect	Monthly														
Boiler room	Heat boiler (If over 500 MBH, daily check)	Inspect	Weekly														
	Heat boiler	Service & certification	Annually														
	Motors & pumps	Lubricate	Semi-annually														
	Combustion/relief air vents	Inspect/clean	Monthly														
	CO alarms/detectors where required	Batteries/inspect	Semi-annually														
	CO alarms/detectors where required	Certification/test	Annually														
		Inspect/clean	Monthly														
	Thermostats	Inspect/check operation	Annually														
	Wall furnaces	Inspect/clean/ck. operation	Annually														
Refuse Disposal		Verify adequacy	Annually														
Trash Compactor	Check keyed switches & enclosure	Inspect	Weekly														

dls revised 12/30/09

PREVENTIVE MAINTENANCE SCHEDULE

Area	Item	Task	Frequency	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Performed By	Work Order # completion
Sanitary Sewer	Main sanitary sewer lines	Clean as needed	Annually														
Other:																	
Other:																	
Other:																	
COMMON AREAS	(Add Inspection of Asbestos-Containing Materials if applicable)																
Doors	Close, latch. Closers	Inspect/adjust/repair	Quarterly														
Security	Security cameras	Inspect/adjust/repair	Annually														
	Security entry systems	Inspect/repair/service	Annually														
Laundry equipment	Community centers	Inspect	Weekly														
	Dryer vent connections	Inspect/repair/service	Semi-annually														
	Washer supply hoses	Inspect/replace	Annually														
	Washer drain hoses	Inspect/replace	Annually														
	Dryer ducting	Clean	Annually														
Kitchen equipment	Refrigerator/freezer compressors	Inspect/service	Annually														
	Range hood & exhaust filter	Inspect/clean	Annually														
Fitness Center	Equipment functions properly, weights, cables	Inspect/clean	Monthly														
Other:																	
Other:																	
Other:																	
APARTMENT UNITS	(Add inspection of Carbon Monoxide detectors if applicable)																
Fire Protection	Fire extinguishers	Inspect/re-charge	Annually														
HVAC	Fire sprinkler valves	Inspect/test	Quarterly														
	Smoke detectors - check operation	Clean/replace batteries	Semi-annually														
	Wall heaters	Inspect/clean/repair	Annually														
	Filters - furnace, A/C, fan/coil units	Replace	Per schedule														
	Furnace exhaust vent stacks	Inspect/align/repair	Annually														
	Thermostats	Inspect/check operation	Annually														
	Baseboard fintube	Inspect/clean	Annually														
Windows	Frame vents (WA & ID)	Inspect/clean	Annually														
	Quick release security bars	Inspect/repair	Annually														
Other:																	
Other:																	
Other:																	
MAINTENANCE AREAS																	
	Shop organization		Semi-annually														
	Storage organization		Semi-annually														
	Tools & equipment	Service/inventory	Semi-annually														
	Supply inventory		Quarterly														
	Equipment inventory.inspection/service		Semi-annually														

EXHIBIT "I"
AUTHORITY GUIDELINES

[Insert Guidelines]

IRWINDALE HOUSING AUTHORITY GUIDELINES, POLICIES AND PROCEDURES FOR SENIOR LOW/MODERATE INCOME HOUSING APARTMENT RENTAL PROGRAM

Adopted by the:

Irwindale Housing Authority

Approved:

GUIDELINES, POLICIES, AND PROCEDURES

SECTION 1. GENERAL

The Irwindale Housing Authority ("Authority") has a goal of providing a multi-family housing stock for Irwindale residents to replace existing substandard housing units and to create safe and sanitary rental opportunities for seniors.

SECTION 2. PROGRAM GUIDELINES, POLICIES AND PROCEDURES

A. Definitions

1. ***Applicant***

   A person/family submitting a formal application for consideration and determination of eligibility to rent an apartment hereunder.

2. ***Application Deadline***

   The Application Deadline shall be the date established by the Authority as the deadline for submitting Applications for each apartment unit that becomes available.

3. ***Conflict of Interest***

   Authority Board members and officers, or management level employees of the Authority are deemed to have a conflict of interest and may not participate in this program. Persons who exercise operational responsibilities relative to any financing pertaining to the apartment project are similarly deemed to have a conflict of interest.

4. ***Continuous Resident***

   A "Continuous Resident(s)" shall be placed in two (2) subcategories thereof: Those persons/families continuously residing in Irwindale since at least fifteen (15) year period immediately preceding the Application Deadline shall be identified as "Category A" Continuous Resident. Those persons/families continuously residing in Irwindale for at least thirty-six (36) months but establishing residence on or after fifteen (15) year period immediately preceding the Application Deadline shall be identified as "Category B" Continuous Resident.

5. ***Disabled Family***

   (a) Any person or his/her family member who has a disability or handicap recognized under the Americans with Disabilities Act of 1990, as amended, which includes:

   (i) a physical or mental impairment that substantially limits one or more of the major life activities of such individual;

   (ii) a record of such an impairment; or

(iii) being regarded as having such an impairment (42 U.S.C. §12102.)

(b) A handicap does not include current, illegal use of or addiction to a controlled substance. For purposes of this part, an individual shall not be considered to have a handicap solely because that individual is a transvestite. (24 C.F.R. § 100.201) As used in this definition:

(c) "Physical or mental impairment" includes:

(i) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs, cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine; or

(ii) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus infection, mental retardation, emotional illness, drug addiction (other than addiction caused by current, illegal use of a controlled substance) and alcoholism.

(d) "Major life activities" means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(e) "Has a record of such an impairment" means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(f) "Is regarded as having an impairment" means:

(i) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by another person as constituting such a limitation;

(ii) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of other toward such impairment; or

(iii) Has none of the impairments defined in paragraph (i) of this definition but is treated by another person as having such an impairment.

Medical certification of a disability or handicap is required from persons claiming disability who are not recipients of benefits under either 42 U.S.C. § 423 (Social Security Act) or § 102 (b) (5) of the Development Services and Facilities Construction Amendments of 1970. The laws and regulations cited in this Section may be amended from time to time by the appropriate governmental authority. Any such amendments that modify the definitions contained herein shall be automatically incorporated without formal action by the Authority.

6. ***Former Resident***

   Persons who previously resided within Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline, but who do not currently reside in Irwindale, shall be considered to be Former Residents.

7. ***Handicapped Person***

   A person having a disability or handicap, which (a) is expected to be of long continued and indefinite duration, (b) substantially impedes the person's ability to live independently, and (c) is of such a nature that such ability could not be improved by more suitable housing. Any member of a family who is handicapped qualifies that family as a Disabled Family. (See: ***"Disabled Family"***.)

8. ***Immediate Family Member***

   Parents, grandparents, siblings, or children of Continuous Residents are considered to be Immediate Family Members.

9. ***Income Qualification Criteria***

   Extremely low, very low, low and moderate income qualification criteria shall be as set forth in Exhibit "A" hereto, which may be amended from time to time without formal action by the Authority or CRA to be consistent with state laws and regulations (Subchapter 2 of Chapter 6.5 of Division 1 of Title 25, California Code of Regulations; see also: California Health and Safety Code §§ 50106, 50105, 50079.5 and 50093.)

10. ***Interrupted Resident***

    Any person (or family) who resided in Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline, moved away for a period of time, but has reestablished a bona fide residence within the City limits of Irwindale for at least one year prior to the Application Deadline shall be considered to be an Interrupted Resident.

11. ***Non-resident***

    Any person (or family) who is not now and has not been a resident of Irwindale for at least thirty-six (36) consecutive months within the

fifteen (15) year period immediately preceding the Application Deadline.

12. ***Renter***

An applicant successfully completing the application process and renting an apartment hereunder.

13. ***Senior***

A Senior is a person who is at least sixty-two (62) years of age or older.

14. ***Shared Renter***

Persons sharing rental accommodations with unrelated persons.

15. ***Veteran***

Any person who has been honorably discharged from one of the military services of the United States shall be considered a Veteran.

B. Eligibility Criteria

Since the Senior Apartment Rental Program is an apartment rental program, there are two (2) primary criteria which must be met to determine eligibility:

1. Income eligibility under § 2.A.9, above.
2. Be a Senior as specified in § 2.A.12, above.

C. Priorities

Eligible applications from persons/families meeting basic income (extremely low, very low, low or moderate income) criteria, shall be processed based upon the following priority schedule and the application procedures in Section 2.D:

1. **First Priority Criteria:**

(a) Extremely low income persons/family – nine (9) apartment units **[subject to modification]**

(b) Very low income persons/family – six (6) apartment units **[subject to modification]**

(c) Low income persons/families – five (5) apartment units **[subject to modification]**

(d) Moderate income persons/families – five (5) apartment units **[subject to modification]**

A primary goal of the Authority is to create, to the extent feasible, sufficient new rental units to meet the projected needs of Irwindale Seniors. Accordingly, and notwithstanding the initial allocations established in § 2.C.1, above, pertaining to the number of units allocated among the income categories, the Authority reserves the right to reallocate the final

number of units specified for each income category, if deemed necessary and appropriate, to meet the quantified needs of Irwindale Seniors.

2. **Second Priority Criteria:**

(a)	Disabled Family	Priority	1
(b)	Veteran	Priority	2
(c)	None of the above	Priority	3

3. **Third Priority Criteria**

   (a) Shared Renter for longer than one (1) year prior to Application - Priority 1.

   (b) Shared Renter for less than (1) year prior to Application – Priority 2.

   (c) Persons residing in rental accommodations (single/married) for longer than one (1) year prior to Application – Priority 3.

   (d) Persons residing in rental accommodations (single/married) for less than one (1) year prior to Application – Priority 4.

   (e) Persons owning residence or other residential real property – Priority 5.

4. **Final Priority Criteria**

   (a) Category A Continuous Irwindale Resident - Priority 1

   (b) Category B Continuous Resident – Priority 2

   (c) Interrupted Resident – Priority 3

   (d) Former Resident – Priority 4

   (e) Immediate Family Member – Priority 5

   (f) None of the above – Priority 6

D. Application Procedure

1. **Applications**

   (a) Upon commencement of the application process, interested persons will be required to complete and sign an Application. As a material part of the Application, interested persons will be required to execute an authorization and waiver form for release of information from persons, firms, public entities and others who may retain data necessary for a complete analysis of the Application. Data needed will include name, address, telephone number, family composition and ages, declaration of income and assets, declaration of outstanding financial obligations, veteran status, declaration of physical status (with appropriate medical confirmation), declaration of home ownership status. (See: § 2.D.1(i).).

Appropriate assistance in completing the Application will be provided to interested persons, if requested.

(b) Applications shall be submitted for review and screening.

(c) Applications will then be assigned to the appropriate First Priority classification under § 2.C.1.

(d) Within each primary eligibility classification (or priority), the Applications will be further prioritized according to the Second Priority Criteria set forth in § 2.C.2, above.

(e) Applications will be further prioritized with each category by the Third Priority Criteria set forth in § 2.C.3, above.

(f) Applications will be finally prioritized within each classification by the Final Eligibility Criteria set forth in § 2.C.4

(g) Within the numerical allotments provided by the First Eligibility Criteria (§ 2.C.1), the final order of priority will be established by adding the numerical priority rating assigned to each Application. The Applications will be ranked, in order of descending priority, with the smallest total number assigned being the highest priority. For example, an Applicant who is a Displaced Person (Priority 1), Shared Renter (Priority 1) and a Continuous Resident (Priority 1) will have a total Priority Rating of 3 and would be ranked higher than a person who is a "none of the above" (Priority 4), Property Owner (Priority 5) and an Immediate Family Member (Priority 5) with a total Priority Rating of 13.

(h) In the event a tie occurs between two (2) or more Applicants, the total Priority Rating rank order will be assigned by a random blind drawing conducted by the Executive Director.

(i) The Authority staff will verify the following data:

(i) name and address

(ii) residence requirement

(iii) employment

(iv) income

(v) existing equity/assets (if applicable)

(vi) credit history

(vii) property ownership

(i) Documentation necessary to verify income, age, handicap (disability), and residency requirements shall be submitted with application documents and may include, but is not limited to: birth certificates, current pay check stubs, income tax returns, employment/salary verification, bank statements for all checking

and/or savings accounts, telephone records and utility records, hospital admittance records, medical care records, and records of educational institutions and public agencies as the same are relevant to matters pertaining to verification of information submitted.

(j) All data submitted shall be verified as true and correct under penalty of perjury of the laws of the State of California. Failure to so verify shall result in application rejection.

(k) Ineligible Applicants shall be notified, in writing, with a statement indicating why the Applicant has been denied and advising the Applicant of his or her right to appeal the determination in writing within ten (10) days of the letter of denial. Appeals will be heard by the Authority Board and the Authority Board's determination shall be final.

(l) Eligible Applicants shall be mailed the necessary rental agreement documents to begin processing the rental application. The Authority will provide such assistance as may be necessary to ensure timely and complete submissions.

2. **Insufficient Eligible Applications**

(a) If there are insufficient eligible Applicants during the first thirty (30) days of the Application Deadline, the Board may authorize additional time for further applications which will be processed in accordance with the procedures set forth in § 2.D.1, above.

(b) Priority for Applicants shall be strictly maintained in accordance with the application period during which submittal occurred. Additional Applicants authorized by the Board after the first thirty (30) days shall not be included with the first group of Applicants.

(c) Once rental agreement documents have been approved, then a move-in date will be established.

EXHIBIT "G"
LAS CASITAS II DDA
IMPROVEMENTS TO BE PROVIDED IN EXCHANGE FOR ADJUNCT CONTRIBUTION

[To Be Inserted]

Las Casitas
Phase I Additional Improvements

ITEM	COST
1. Second Story Balcony: When it rains, water drains into balcony and dwelling of the 2nd story units. Some tenants have reported that the carpet inside their unit gets wet due to the water drainage. Install drainage mechanisms to resolve this issue (Eight Units).	**$12,000**
2. Rain Gutters/Flashing: Install rain gutters, flashing, and downspouts throughout project. It has been reported that the north side of the apartment building appears to have algae due to the rainwater runoff.	**$6,500**
3. Kitchen Cabinets/Countertops: Reface kitchen cabinets and replace countertops Sixteen Units (Formica, or approved equivalent) to match Phase II units.	**$22,000**
4. Bathroom Lighting: Provide new light fixtures in Phase I so that additional lighting is provided in the bathrooms, as lighting appears to be insufficient to adequately illuminate the bathrooms. (Sixteen Units)	**$2,700**
5. Linoleum flooring: Replace linoleum flooring in bathroom and kitchen. The "entry" area to all 26 units should be tile, not carpet. If the existing "entry" area is carpet, then the carpet is to be replaced with tile. (Sixteen Units)	**$9,600**
6. Fumigation, Phase I	**$12,500**
7. Interior Painting: Those units which have not been painted in the last 10 years should be entirely repainted. (Sixteen Units)	**$13,600**
TOTAL	**$78,900**

EXHIBIT "H"
LAS CASITAS II DDA
FINANCIAL ANALYSIS OF GUARANTEED RENT

[To Be Inserted]

NET OPERATING INCOME
LAS CASITAS SENIOR APARTMENTS
CITY OF IRWINDALE

	# of Units	Monthly Rent (1)	Total Annual
I. Gross Scheduled Income			
One Bedrooms @ 50% of AMI	25	$500	$150,000
Manager Unit	1	$0	$0
Total/Average	26	$481	$150,000
Add: Other Income		$0 /Unit/Month	$0
(Less) Vacancy @		0.0% of Income	$0
Effective Gross Income (EGI)			$150,000
II. Operating Expenses			
(Less) Operating Expenses (2)		$3,200 /Unit/Year	($83,000)
(Less) Property Taxes (3)		$346 /Unit/Year	($9,000)
(Less) Replacement Reserves		$350 /Unit/Year	($9,000)
Total Expenses		$3,885 /Unit/Year	($101,000)
		67.3% of EGI	
III. Net Operating Income			**$49,000**

(1) Reflects Guaranteed Rent.
(2) Includes Contracted Services, Utilities, Turn-Over/Redecorating, Maintenance, and Office (excluding property taxes).
(3) Estimated allowance; not verified by KMA.

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VALUE OF INCOME STREAM - PHASE I
LAS CASITAS SENIOR APARTMENTS
CITY OF IRWINDALE

Lease Year	Guaranteed Rent (1)	(Less) Expenses (2)	Net Operating Income Per Unit	Net Operating Income Annual
1	$500	($324)	$145	$27,846
2	$513	($333)	$147	$28,232
3	$525	($343)	$149	$28,617
4	$538	($354)	$151	$29,003
5	$552	($364)	$153	$29,388
6	$566	($375)	$155	$29,773
7	$580	($387)	$157	$30,157
8	$594	($398)	$159	$30,540
9	$609	($410)	$161	$30,922
10	$624	($422)	$163	$31,301
11	$640	($435)	$165	$31,678
12	$656	($448)	$167	$32,052
13	$672	($462)	$169	$32,423
14	$689	($475)	$171	$32,791
15	$706	($490)	$173	$33,154
16	$724	($504)	$175	$33,513
17	$742	($519)	$176	$33,867
18	$761	($535)	$178	$34,215
19	$780	($551)	$180	$34,557
20	$799	($568)	$182	$34,891
21	$819	($585)	$183	$35,219
22	$840	($602)	$185	$35,538
23	$861	($620)	$187	$35,848
24	$882	($639)	$188	$36,149
25	$904	($658)	$190	$36,439
26	$927	($678)	$191	$36,719
27	$950	($698)	$193	$36,986
28	$974	($719)	$194	$37,240
29	$998	($741)	$195	$37,481
30	$1,023	($763)	$196	$37,707
31	$1,049	($786)	$197	$37,917
32	$1,075	($809)	$198	$38,111
33	$1,102	($834)	$199	$38,287
34	$1,129	($859)	$200	$38,444
35	$1,158	($884)	$201	$38,581
36	$1,187	($911)	$202	$38,696
37	$1,216	($938)	$202	$38,789
38	$1,247	($966)	$202	$38,858
39	$1,278	($995)	$203	$38,902

Escalation Factors	
Income	2.5%
Expenses	3.0%

(1) Reflects Guaranteed Income for 15 units.

(2) Reflects total operating expenses of $3,885/unit/year for 16 units. See Table 6.

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VALUE OF INCOME STREAM - PHASE I
LAS CASITAS SENIOR APARTMENTS
CITY OF IRWINDALE

Lease Year	Guaranteed Rent (1)	(Less) Expenses (2)	Net Operating Income Per Unit	Net Operating Income Annual
40	$1,310	($1,025)	$203	$38,919
41	$1,343	($1,056)	$203	$38,908
42	$1,376	($1,088)	$202	$38,866
43	$1,410	($1,120)	$202	$38,794
44	$1,446	($1,154)	$202	$38,688
45	$1,482	($1,189)	$201	$38,548
46	$1,519	($1,224)	$200	$38,371
47	$1,557	($1,261)	$199	$38,155
48	$1,596	($1,299)	$197	$37,898
49	$1,636	($1,338)	$196	$37,599
50	$1,677	($1,378)	$194	$37,255
51	$1,719	($1,419)	$192	$36,863
52	$1,762	($1,462)	$190	$36,422
53	$1,806	($1,506)	$187	$35,930
54	$1,851	($1,551)	$184	$35,383
55	$1,897	($1,597)	$181	$34,778
Present Value in Calendar Year 0 @			8.0%	$364,000
Per Unit				$22,750

(2) Reflects total operating expenses of $3,685/unit/year for 16 units. See Table 6.

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VALUE OF INCOME STREAM - PHASE II
LAS CASITAS SENIOR APARTMENTS
CITY OF IRWINDALE

Year	Guaranteed Rent (1)	(Less) Expenses (2)	Net Operating Income Per Unit	Net Operating Income Annual
1	$500	($324)	$176	$21,154
2	$513	($333)	$179	$21,488
3	$525	($343)	$182	$21,826
4	$538	($354)	$185	$22,165
5	$552	($364)	$188	$22,507
6	$566	($375)	$190	$22,851
7	$580	($387)	$193	$23,197
8	$594	($398)	$196	$23,545
9	$609	($410)	$199	$23,895
10	$624	($422)	$202	$24,246
11	$640	($435)	$205	$24,599
12	$656	($448)	$208	$24,953
13	$672	($462)	$211	$25,308
14	$689	($475)	$214	$25,664
15	$706	($490)	$217	$26,020
16	$724	($504)	$220	$26,377
17	$742	($519)	$223	$26,734
18	$761	($535)	$226	$27,090
19	$780	($551)	$229	$27,447
20	$799	($568)	$232	$27,802
21	$819	($585)	$235	$28,157
22	$840	($602)	$238	$28,510
23	$861	($620)	$241	$28,861
24	$882	($639)	$243	$29,210
25	$904	($658)	$246	$29,557
26	$927	($678)	$249	$29,901
27	$950	($698)	$252	$30,242
28	$974	($719)	$255	$30,579
29	$998	($741)	$258	$30,913
30	$1,023	($763)	$260	$31,241
31	$1,049	($786)	$263	$31,564
32	$1,075	($809)	$266	$31,882
33	$1,102	($834)	$268	$32,193
34	$1,129	($859)	$271	$32,498
35	$1,158	($884)	$273	$32,795
36	$1,187	($911)	$276	$33,085
37	$1,216	($938)	$278	$33,365
38	$1,247	($966)	$280	$33,636
39	$1,278	($995)	$282	$33,897

Escalation Factors	
Income	2.5%
Expenses	3.0%

(1) Reflects Guaranteed Income for 10 units.
(2) Reflects total operating expenses of $3,885/unit/year for 10 units. See Table 6.

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VALUE OF INCOME STREAM - PHASE II
LAS CASITAS SENIOR APARTMENTS
CITY OF IRWINDALE

Year	Guaranteed Rent (1)	(Less) Expenses (2)	Net Operating Income Per Unit	Net Operating Income Annual
40	$1,310	($1,025)	$285	$34,148
41	$1,343	($1,056)	$287	$34,386
42	$1,376	($1,088)	$288	$34,612
43	$1,410	($1,120)	$290	$34,825
44	$1,446	($1,154)	$292	$35,023
45	$1,482	($1,189)	$293	$35,207
46	$1,519	($1,224)	$295	$35,374
47	$1,557	($1,261)	$296	$35,524
48	$1,596	($1,299)	$297	$35,655
49	$1,636	($1,338)	$298	$35,767
50	$1,677	($1,378)	$299	$35,859
51	$1,719	($1,419)	$299	$35,929
52	$1,762	($1,462)	$300	$35,975
53	$1,806	($1,506)	$300	$35,998
54	$1,851	($1,551)	$300	$35,994
55	$1,897	($1,597)	$300	$35,964
Present Value in Calendar Year 0 @			8.0%	$287,000
Per Unit				$28,700

(2) Reflects total operating expenses of $3,885/unit/year for 10 units. See Table 6.

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EXHIBIT "I"
LAS CASITAS II DDA
FUNDING SERVICES AGREEMENT

[To Be Inserted]

First American
Fund Control

First American Fund Control, Inc..
200 Commerce, Irvine CA. 92602
(866) 536-0178 FAX (866) 536-0177

ESCROW NO.:

FUND CONTROL AGREEMENT

THIS FUND CONTROL AGREEMENT (the "Agreement") is entered into and effective as of **March 17, 2011**, at Irvine, California by and between FIRST AMERICAN FUND CONTROL, INC., a California corporation ("FAFC"); (collectively, "Owner"); and ("Contractor"), on the basis of the following facts:

RECITALS

A. Owner and Contractor have entered into a contract for a construction Project (the "Project") on the real property commonly known as (the "Property"). FAFC is not a party to the construction contract and shall have no obligation or liability in connection therewith.

B. There shall be deposited, in a FAFC trust account, funds in the amount of $, all or a portion of which shall be provided by, ("Lender"). FAFC is not a party to any loan documents and shall have no obligation or liability in connection therewith.

C. Owner and Contractor wish to have FAFC make disbursements concerning the Project as provided in this Agreement.

AGREEMENT

IT IS HEREBY AGREED, on the basis of the foregoing facts and for valuable consideration as follows:

1. Escrow. FAFC shall establish a separate escrow account for the Project (the "Escrow"). All funds delivered to FAFC shall be deposited in FAFC's trust account and credited to the Escrow. All funds disbursed by FAFC shall be disbursed from a trust account and debited to the Escrow. FAFC shall maintain a record of deposits and disbursements regarding the Escrow. Escrow funds shall not bear interest.

2. Disbursement Procedures. FAFC is authorized and instructed, subject to available Escrow funds, to make disbursements in accordance with the provisions set forth below.

2.1 Project Cost Breakdown. Lender shall provide FAFC with a Project Cost Breakdown (the "Breakdown") setting forth the estimated costs for the Project by cost categories. The Breakdown may be revised only by notice to FAFC from the Lender. The Breakdown is solely for the purpose of assisting FAFC in maintaining its records. FAFC shall have no obligation in connection with the Breakdown.

2.2 Requests for Advances. From time to time (but not more than once per calendar week) Contractor shall provide FAFC with a Request for Advance which shall include (a) the amount of funds requested, (b) an allocation of the funds to the cost categories, (c) the name of each payee and (d) the amount to be disbursed to each payee. Contractor certifies to FAFC that all information included within a Request for Advance shall be true,accurate and not subject to qualification. FAFC is authorized to fully rely upon the foregoing certification; and FAFC shall not incur any liability resulting from such reliance.

2.3 FAFC Report. Following receipt of a Request for Advance, FAFC shall provide Lender with a computer-generated report (the "Report") summarizing (a) the Request for Advance and (b) past disbursements by cost category. If an Inspection Addendum is also executed for this Escrow and a job site inspection was performed for a Request for Advance, FAFC shall also provide an Inspection Report with the Report to the Lender. Lender has the final and sole authority to approve and instruct FAFC to disburse.

2.4 Transfer of Funds. Lender may choose to deposit all sums of funds at once or periodically ("Transferred Amount"). In a case where a Request for Advance Report is to be paid from previously received funds from Lender, FAFC must obtain a written approval from Lender before disbursing. Otherwise, upon Lender's approval of the Report, Lender shall transfer to FAFC's trust account all or a portion of the funds identified in the Report, the Transferred Amount. All funds received into FAFC's trust account shall be deposited in a trust interest-bearing account or certificate of deposit in any state or federal bank of FAFC's choosing. Escrow Holder, in its sole discretion, may at any time deposit the funds into its non-interest-bearing trust account, change the account or certificate of deposit, reinvest all or any portion of the funds, and change banks. All interest shall be paid to FAFC. In the event Lender imposes any conditions regarding the Transferred Amount, FAFC may withhold disbursement until the conditions are satisfied. Except as otherwise stated in writing by Lender to FAFC, the transfer of the Transferred Amount shall constitute Lender's approval of the Report and instructions and authorization to FAFC to disburse the Transferred Amount in accordance with this Agreement. Lender's approval shall also irrevocably and unconditionally constitute Owner's approval. In a case where a Request for Advance Report is paid from previously funded sums, Lender's written approval of the Report shall constitute Lender's instructions and authorizations to FAFC to disburse the Transferred Amount in accordance with this Agreement. Lender's approval shall also irrevocably and unconditionally constitute Owner's approval.

2.5 Vouchers. FAFC's form voucher ("Voucher") shall be used to request disbursements. The "Authorized Individuals" (identified at the end of the Agreement") are appointed and authorized by Owner and Contractor to sign and deliver Vouchers. Only the Authorized Individuals may sign Vouchers. The Authorized Individuals shall deliver signed Vouchers to FAFC with applicable (a) receipts, invoices or bills and (b) lien releases. FAFC is authorized to make disbursements pursuant to Vouchers. FAFC is authorized to conclusively presume that any voucher and/or accompanying documentation is given in full compliance with this Agreement and that all funds to be disbursed pursuant to the Voucher are for the purposes stated in the Voucher. FAFC shall incur no liability in making disbursements pursuant to the foregoing.

2.6 Disbursement by FAFC. Except as otherwise provided in this Agreement, upon FAFC's receipt of a signed Voucher, together with the documentation referred to in Section 2.5, FAFC shall disburse the amount set forth in the Voucher. Provided FAFC complies with this section, FAFC shall incur no liability to any person or entity for making or not making disbursements.

3. Limitation on Disbursements. FAFC shall not be obligated to make disbursements which exceed the balance of funds in the Escrow. The parties to this Agreement shall cooperate fully with FAFC, including delivery of such documents and information as FAFC may request. FAFC is authorized, but not obligated, to withhold any disbursement pending receipt of such documents and information.

4. FAFC Fees. FAFC shall receive, as compensation for its basic services under this Agreement, the sum of $, fully earned and payable in full upon (and at FAFC's election from) the deposit of the first Transferred Amount. FAFC is authorized and instructed to immediately disburse such compensation to itself.

4.1 Extraordinary Costs. In the event FAFC is required or requested to produce or duplicate documents; utilize messengers or delivery services other than first-class U.S. mail; provide testimony or take action in any court, arbitration or other proceeding, the parties to this Agreement shall, upon demand by FAFC, reimburse FAFC for all costs and expenses in connection therewith, including but not limited to, duplicating cost, mileage, messenger/delivery cost, and labor-personnel charges (at FAFC's then prevailing rate). If FAFC receives more than one Request for Advance during a calendar week (and FAFC elects to process the extra Requests), FAFC shall be entitled to $100 for each extra Request. Such amounts shall be in addition to the FAFC Fee and FAFC shall not be required to act until such reimbursement is made. FAFC is authorized to disburse such amounts to itself from funds in the Escrow.

5. Disputes. Should any controversy arise in connection with this Agreement, FAFC may withhold disbursements until the controversy is resolved by legal process or an agreement acceptable to FAFC. Prior to resolution of the controversy, FAFC may, but shall not be obligated to, (a) return the funds then held in the Escrow to the person who deposited the funds with FAFC, and/or (b) interplead the funds with the court. Upon either (a) or (b), FAFC shall be fully discharged and relieved from all liability in connection with such funds and shall be entitled to recover its costs and attorneys' fees in connection therewith.

6. FAFC's Obligations. The obligations of FAFC are limited solely to making disbursements pursuant to Section 2 of this Agreement. Without limiting the generality of the foregoing, FAFC shall not (a) be responsible for or guarantee that the Project shall be constructed in accordance with the Breakdown, any plans and specifications or any contract or agreement to which FAFC is not a party; (b) have any duty to inspect the Project or to verify the information and materials it receives; or (c) be responsible to determine that funds disbursed by FAFC are actually used as stated in the Requests for Advance or the Vouchers.

7. Lack of Activity. In the event there is no disbursement from the Escrow for a continuous period of ninety (90) days, FAFC may treat such inactivity as a controversy under Section 5 of this Agreement. In the event there is no disbursement from the Escrow for a continuous period of one year, FAFC may interplead any Escrow funds to the Court or escheat to the State of California under the laws of escheat, whichever is applicable.

8. Indemnity. The parties to this Agreement, jointly and severally, agree to hold FAFC harmless and to indemnify and defend FAFC from and against any and all claims, demands, liabilities and legal actions, including those of the undersigned, in connection with or allegedly in connection with this Agreement, the Escrow or the Project; and they further agree to pay FAFC's reasonable attorneys' fees and costs in connection therewith. FAFC is authorized to employ legal counsel of its choice.

9. Maintenance of Records. FAFC shall keep accurate records as to (a) amounts deposited in the Escrow; (b) amounts disbursed from the Escrow by cost categories; and (c) the undisbursed amount in each cost category (based upon the Breakdown). As required by California law, documents shall remain at FAFC's office and upon reasonable notice shall be available for inspection by Lender, Owner or Contractor. Upon not less than 48 hours notice to FAFC, Owner, Contractor or Lender may, through a bonded photocopying service, photocopy, at the requesting party's expense, documents which relate to this Agreement. In the event any photocopying is done by FAFC, the requesting party shall reimburse FAFC for the photocopying charges and labor charges relating thereto prior to delivery of the copies to the requesting party.

10. Amendments. This Agreement may only be amended, supplemented or modified by a written amendment executed by all parties hereto.

11. Attorneys' Fees. In any action between the parties regarding this Agreement, the Escrow or the Project, the prevailing party in that action shall be entitled to recover its reasonable costs and expenses, including reasonable attorneys' fees. All attorneys' fees incurred by FAFC in connection with this agreement, whether or not an action is filed, shall be immediately reimbursed from the funds in Escrow.

12. Interpretation. This Agreement shall be interpreted and construed in accordance with California law. Any action against FAFC involving this Agreement, shall be maintained in the appropriate court in Orange County, California.

13. No Third-Party Beneficiary. This Agreement is made and intended to be for the benefit of Owner, Contractor and FAFC only and is not intended to be for the benefit of anyone else, including Lender and those furnishing labor or materials.

14. Merger. This Agreement sets forth the full agreement between the parties regarding the Escrow and the obligations of FAFC. All prior agreements and understandings shall be deemed terminated and of no further force or effect.

15. Severability. In the event any provision of this Agreement should be determined by a court of competent jurisdiction as unenforceable or void under applicable law, that provision shall be deleted; but the remaining provisions of this Agreement shall remain in full force and effect.

16. Counterparts. This Agreement may be signed in multiple counterparts.

17. Captions. The Caption headings for the sections of this Agreement are for convenience only and shall not be considered to limit, expand or define the content of the sections.

18. Final Disbursement. FAFC may, but shall not be obligated to, disburse any final balance in the Escrow without following the provisions of Section 2. FAFC may condition the disbursement upon receipt of (a) an indemnity agreement in form and content approved by FAFC and signed by Lender, Owner and/or Contractor; and (b) FAFC's attorneys' fees incurred in connection therewith.

19. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their respective successors and assigns.

20. Disclosure of Possible Benefits. As a result of FAFC maintaining its general escrow accounts, special accounts and trust accounts with the depositories, FAFC may receive certain financial benefits such as an array of bank services, accommodations, interest income, loans or other business transactions from the depositories ("collateral benefits"). Except as may otherwise be designated in this Agreement, all collateral benefits shall accrue to the sole benefit of FAFC and FAFC shall have no obligation to account to any party to this Agreement for the value of any such collateral benefits.

IN WITNESS WHEREOF, the parties, individually or through their authorized representatives, have executed this Agreement as of the date of this Agreement. Each individual executing this Agreement warrants and represents that he or she has the power and authority to execute this Agreement on behalf of the party for whom the execution is made.

"Owner"

_____

_____

_____

_____

"FAFC"
FIRST AMERICAN FUND CONTROL, INC.
a California Corporation

By_____

"Contractor"

a_____

By_____
Its_____

This Escrow Company holds Department of Corporations Escrow License No. 963-0921

AUTHORIZED INDIVIDUALS

The "Authorized Individuals" are identified below. By signing this clause, the Authorized Individuals agree and represent and warrant to FAFC that they will sign Vouchers only for labor, materials, services, and expenses actually and properly incurred in the construction of the Project. The Authorized Individuals shall indemnify FAFC regarding any breach of the foregoing. Vouchers shall be signed as follows:

_____ _____

_____ _____

EXHIBIT "J"
LAS CASITAS II DDA
CERTIFICATE OF COMPLETION

[To Be Inserted]

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Irwindale Housing Authority
2175 Cherry Avenue
Irwindale, CA 90755
Attn: Executive Director

(Space Above This Line for Recorder's Office Use Only)

CERTIFICATE OF COMPLETION

WHEREAS, by an Disposition & Development Agreement ("Agreement") dated March 9, 2011, by and between the IRWINDALE HOUSING AUTHORITY ("Authority") and THE NORTHRIDGE GROUP INC., a California corporation ("Participant"), Participant has agreed to rehabilitate and expand a low-income senior apartment project commonly known as "Las Casitas" ("Project") on the Site (as such term is defined in the Agreement); and

WHEREAS, Authority has agreed to provide a certificate of completion upon completion of construction of the Project, which certificate shall be in such form as to permit it to be recorded in the Official Records of the County Clerk of the County of Los Angeles, California; and

WHEREAS, Participant has requested that Authority furnish Participant with the Certificate of Completion for the Site more particularly described on Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, such Certificate of Completion shall constitute a conclusive determination by Authority of the satisfactory completion by Participant of the construction required by the Agreement and of Participant's full compliance with the terms of the Agreement with respect to such construction; and

WHEREAS, Authority has conclusively determined that the construction on the Site required by the Agreement has been satisfactorily completed by Participant in full compliance with the terms of the Agreement.

NOW, THEREFORE,

1. The improvements required to be constructed have been satisfactorily completed in accordance with the provisions of said Agreement.

2. This certificate shall constitute a conclusive determination of satisfaction of the agreements and covenants contained in the Agreement solely with respect to the obligations of the Participant, and its successors and assigns, to construct the improvements and the dates for the beginning and completion thereof.

3. This Certificate shall not constitute evidence of Participant's compliance with the Lease/Regulatory Agreement (as such term is defined in the Agreement) or other provisions of the Agreement that do not relate to the construction requirements which shall continue to run with the land.

4. This Certificate is not a Notice of Completion as referred to in California Civil Code Section 3093.

5. Except as stated herein, nothing contained in this instrument shall modify in any way any provisions of the Agreement or any other provisions of the documents incorporated therein.

IN WITNESS WHEREOF, the Authority has executed this Certificate of Completion this _____ day of _____, _____.

IRWINDALE HOUSING AUTHORITY,
a public body corporate and politic

By _____
Executive Director

EXHIBIT "K"
LAS CASITAS II DDA
GUIDELINES

[To Be Inserted]

IRWINDALE HOUSING AUTHORITY GUIDELINES, POLICIES AND PROCEDURES FOR SENIOR LOW/MODERATE INCOME HOUSING APARTMENT RENTAL PROGRAM

Adopted by the:

Irwindale Housing Authority

Approved:

GUIDELINES, POLICIES, AND PROCEDURES

SECTION 1. GENERAL

The Irwindale Housing Authority ("Authority") has a goal of providing a multi-family housing stock for Irwindale residents to replace existing substandard housing units and to create safe and sanitary rental opportunities for seniors.

SECTION 2. PROGRAM GUIDELINES, POLICIES AND PROCEDURES

A. Definitions

1. ***Applicant***

   A person/family submitting a formal application for consideration and determination of eligibility to rent an apartment hereunder.

2. ***Application Deadline***

   The Application Deadline shall be the date established by the Authority as the deadline for submitting Applications for each apartment unit that becomes available.

3. ***Conflict of Interest***

   Authority Board members and officers, or management level employees of the Authority are deemed to have a conflict of interest and may not participate in this program. Persons who exercise operational responsibilities relative to any financing pertaining to the apartment project are similarly deemed to have a conflict of interest.

4. ***Continuous Resident***

   A "Continuous Resident(s)" shall be placed in two (2) subcategories thereof: Those persons/families continuously residing in Irwindale since at least fifteen (15) year period immediately preceding the Application Deadline shall be identified as "Category A" Continuous Resident. Those persons/families continuously residing in Irwindale for at least thirty-six (36) months but establishing residence on or after fifteen (15) year period immediately preceding the Application Deadline shall be identified as "Category B" Continuous Resident.

5. ***Disabled Family***

   (a) Any person or his/her family member who has a disability or handicap recognized under the Americans with Disabilities Act of 1990, as amended, which includes:

   (i) a physical or mental impairment that substantially limits one or more of the major life activities of such individual;

   (ii) a record of such an impairment; or

(iii) being regarded as having such an impairment (42 U.S.C. §12102.)

(b) A handicap does not include current, illegal use of or addiction to a controlled substance. For purposes of this part, an individual shall not be considered to have a handicap solely because that individual is a transvestite. (24 C.F.R. § 100.201) As used in this definition:

(c) "Physical or mental impairment" includes:

(i) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs, cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine; or

(ii) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus infection, mental retardation, emotional illness, drug addiction (other than addiction caused by current, illegal use of a controlled substance) and alcoholism.

(d) "Major life activities" means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(e) "Has a record of such an impairment" means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(f) "Is regarded as having an impairment" means:

(i) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by another person as constituting such a limitation;

(ii) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of other toward such impairment; or

(iii) Has none of the impairments defined in paragraph (i) of this definition but is treated by another person as having such an impairment.

Medical certification of a disability or handicap is required from persons claiming disability who are not recipients of benefits under either 42 U.S.C. § 423 (Social Security Act) or § 102 (b) (5) of the Development Services and Facilities Construction Amendments of 1970. The laws and regulations cited in this Section may be amended from time to time by the appropriate governmental authority. Any such amendments that modify the definitions contained herein shall be automatically incorporated without formal action by the Authority.

6. ***Former Resident***

   Persons who previously resided within Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline, but who do not currently reside in Irwindale, shall be considered to be Former Residents.

7. ***Handicapped Person***

   A person having a disability or handicap, which (a) is expected to be of long continued and indefinite duration, (b) substantially impedes the person's ability to live independently, and (c) is of such a nature that such ability could not be improved by more suitable housing. Any member of a family who is handicapped qualifies that family as a Disabled Family. (See: ***"Disabled Family"***.)

8. ***Immediate Family Member***

   Parents, grandparents, siblings, or children of Continuous Residents are considered to be Immediate Family Members.

9. ***Income Qualification Criteria***

   Extremely low, very low, low and moderate income qualification criteria shall be as set forth in Exhibit "A" hereto, which may be amended from time to time without formal action by the Authority or CRA to be consistent with state laws and regulations (Subchapter 2 of Chapter 6.5 of Division 1 of Title 25, California Code of Regulations; see also: California Health and Safety Code §§ 50106, 50105, 50079.5 and 50093.)

10. ***Interrupted Resident***

    Any person (or family) who resided in Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline, moved away for a period of time, but has reestablished a bona fide residence within the City limits of Irwindale for at least one year prior to the Application Deadline shall be considered to be an Interrupted Resident.

11. ***Non-resident***

    Any person (or family) who is not now and has not been a resident of Irwindale for at least thirty-six (36) consecutive months within the

fifteen (15) year period immediately preceding the Application Deadline.

12. ***Renter***

An applicant successfully completing the application process and renting an apartment hereunder.

13. ***Senior***

A Senior is a person who is at least sixty-two (62) years of age or older.

14. ***Shared Renter***

Persons sharing rental accommodations with unrelated persons.

15. ***Veteran***

Any person who has been honorably discharged from one of the military services of the United States shall be considered a Veteran.

B. Eligibility Criteria

Since the Senior Apartment Rental Program is an apartment rental program, there are two (2) primary criteria which must be met to determine eligibility:

1. Income eligibility under § 2.A.9, above.
2. Be a Senior as specified in § 2.A.12, above.

C. Priorities

Eligible applications from persons/families meeting basic income (extremely low, very low, low or moderate income) criteria, shall be processed based upon the following priority schedule and the application procedures in Section 2.D:

1. **First Priority Criteria:**

   (a) Extremely low income persons/family – nine (9) apartment units **[subject to modification]**

   (b) Very low income persons/family – six (6) apartment units **[subject to modification]**

   (c) Low income persons/families – five (5) apartment units **[subject to modification]**

   (d) Moderate income persons/families – five (5) apartment units **[subject to modification]**

A primary goal of the Authority is to create, to the extent feasible, sufficient new rental units to meet the projected needs of Irwindale Seniors. Accordingly, and notwithstanding the initial allocations established in § 2.C.1, above, pertaining to the number of units allocated among the income categories, the Authority reserves the right to reallocate the final

number of units specified for each income category, if deemed necessary and appropriate, to meet the quantified needs of Irwindale Seniors.

2. **Second Priority Criteria:**

(a)	Disabled Family	Priority 1
(b)	Veteran	Priority 2
(c)	None of the above	Priority 3

3. **Third Priority Criteria**

   (a) Shared Renter for longer than one (1) year prior to Application - Priority 1.

   (b) Shared Renter for less than (1) year prior to Application – Priority 2.

   (c) Persons residing in rental accommodations (single/married) for longer than one (1) year prior to Application – Priority 3.

   (d) Persons residing in rental accommodations (single/married) for less than one (1) year prior to Application – Priority 4.

   (e) Persons owning residence or other residential real property – Priority 5.

4. **Final Priority Criteria**

   (a) Category A Continuous Irwindale Resident - Priority 1

   (b) Category B Continuous Resident – Priority 2

   (c) Interrupted Resident – Priority 3

   (d) Former Resident – Priority 4

   (e) Immediate Family Member – Priority 5

   (f) None of the above – Priority 6

D. <u>Application Procedure</u>

1. **Applications**

   (a) Upon commencement of the application process, interested persons will be required to complete and sign an Application. As a material part of the Application, interested persons will be required to execute an authorization and waiver form for release of information from persons, firms, public entities and others who may retain data necessary for a complete analysis of the Application. Data needed will include name, address, telephone number, family composition and ages, declaration of income and assets, declaration of outstanding financial obligations, veteran status, declaration of physical status (with appropriate medical confirmation), declaration of home ownership status. (See: § 2.D.1(i).).

Appropriate assistance in completing the Application will be provided to interested persons, if requested.

(b) Applications shall be submitted for review and screening.

(c) Applications will then be assigned to the appropriate First Priority classification under § 2.C.1.

(d) Within each primary eligibility classification (or priority), the Applications will be further prioritized according to the Second Priority Criteria set forth in § 2.C.2, above.

(e) Applications will be further prioritized with each category by the Third Priority Criteria set forth in § 2.C.3, above.

(f) Applications will be finally prioritized within each classification by the Final Eligibility Criteria set forth in § 2.C.4

(g) Within the numerical allotments provided by the First Eligibility Criteria (§ 2.C.1), the final order of priority will be established by adding the numerical priority rating assigned to each Application. The Applications will be ranked, in order of descending priority, with the smallest total number assigned being the highest priority. For example, an Applicant who is a Displaced Person (Priority 1), Shared Renter (Priority 1) and a Continuous Resident (Priority 1) will have a total Priority Rating of 3 and would be ranked higher than a person who is a "none of the above" (Priority 4), Property Owner (Priority 5) and an Immediate Family Member (Priority 5) with a total Priority Rating of 13.

(h) In the event a tie occurs between two (2) or more Applicants, the total Priority Rating rank order will be assigned by a random blind drawing conducted by the Executive Director.

(i) The Authority staff will verify the following data:

  (i) name and address

  (ii) residence requirement

  (iii) employment

  (iv) income

  (v) existing equity/assets (if applicable)

  (vi) credit history

  (vii) property ownership

(i) Documentation necessary to verify income, age, handicap (disability), and residency requirements shall be submitted with application documents and may include, but is not limited to: birth certificates, current pay check stubs, income tax returns, employment/salary verification, bank statements for all checking

and/or savings accounts, telephone records and utility records, hospital admittance records, medical care records, and records of educational institutions and public agencies as the same are relevant to matters pertaining to verification of information submitted.

(j) All data submitted shall be verified as true and correct under penalty of perjury of the laws of the State of California. Failure to so verify shall result in application rejection.

(k) Ineligible Applicants shall be notified, in writing, with a statement indicating why the Applicant has been denied and advising the Applicant of his or her right to appeal the determination in writing within ten (10) days of the letter of denial. Appeals will be heard by the Authority Board and the Authority Board's determination shall be final.

(l) Eligible Applicants shall be mailed the necessary rental agreement documents to begin processing the rental application. The Authority will provide such assistance as may be necessary to ensure timely and complete submissions.

2. **Insufficient Eligible Applications**

(a) If there are insufficient eligible Applicants during the first thirty (30) days of the Application Deadline, the Board may authorize additional time for further applications which will be processed in accordance with the procedures set forth in § 2.D.1, above.

(b) Priority for Applicants shall be strictly maintained in accordance with the application period during which submittal occurred. Additional Applicants authorized by the Board after the first thirty (30) days shall not be included with the first group of Applicants.

(c) Once rental agreement documents have been approved, then a move-in date will be established.