



AGENDA

**REGULAR MEETINGS OF THE SANTA FE SPRINGS
PUBLIC FINANCING AUTHORITY
WATER UTILITY AUTHORITY
HOUSING SUCCESSOR
SUCCESSOR AGENCY
AND CITY COUNCIL**

**June 25, 2020
6:00 P.M.**

VIA TELECONFERENCE

***Annette Rodriguez, Councilmember
Juanita Trujillo, Councilmember
Joe Angel Zamora, Councilmember
John M. Mora, Mayor Pro Tem
William K. Rounds, Mayor***

******GOVERNOR'S EXECUTIVE ORDER N-29-20****
REGARDING CORONAVIRUS COVID-19**

On March 4, 2020, Governor Newsom proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19. The Governor has issued Executive Orders that temporarily suspend requirements of the Brown Act, including allowing the City Council to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public. Please be advised that, until further notice, City Council meetings will be held by teleconference. City Hall, including Council Chambers, is closed to the public.

You may attend the City Council meeting telephonically or electronically using the following means:

Electronically using Zoom: Go to Zoom.us and click on "Join A Meeting" or use the following link:

<https://zoom.us/j/521620472?pwd=U3cyK1RuKzY1ekVGZFdKQXNZVzh4Zz09>

Zoom Meeting ID: 521620472 Password: 659847

Telephonically: Dial: 888-475-4499 Meeting ID: 521620472

Public Participation: You may submit public comments in writing by sending them to the City Clerk at cityclerk@santafesprings.org. If you attend the meeting by telephone, you must submit a public comment in writing to be heard. To ensure that they are received for the meeting, please submit your written comments prior to 4:00 p.m. on the day of the City Council meeting. You may also contact the City Clerk's Office at (562) 868-0511 ext. 7314.

City of Santa Fe Springs

Regular Meetings

June 25, 2020

1. **CALL TO ORDER**

2. **ROLL CALL**

Annette Rodriguez, Councilmember
Juanita Trujillo, Councilmember
Joe Angel Zamora, Councilmember
John M. Mora, Mayor Pro Tem
William K. Rounds, Mayor

3. **PUBLIC COMMENTS** *This is the time when comments may be made by citizens on matters under the jurisdiction of the City Council, on the agenda and not on the agenda. Each citizen is limited to three (3) minutes.*

PUBLIC FINANCING AUTHORITY

4. **CONSENT AGENDA**

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Public Financing Authority.

a. Minutes of the May 28, 2020 Public Financing Authority (City Clerk)

Recommendation:

- Approve the minutes as submitted.

b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA) (Finance)

Recommendation:

- Receive and file the report.

WATER UTILITY AUTHORITY

5. **CONSENT AGENDA**

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Water Utility Authority.

a. Minutes of the May 28, 2020 Water Utility Authority (City Clerk)

Recommendation:

- Approve the minutes as submitted.

b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA) (Finance)

Recommendation:

- Receive and file the report.

c. Status Update of Water-Related Capital Improvement Projects (Public Works)

Recommendation:

- Receive and file the report.

HOUSING SUCCESSOR

6. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Housing Successor.

Minutes of the May 28, 2020 Housing Successor Meeting (City Clerk)

Recommendation:

- Approve the minutes as submitted.

SUCCESSOR AGENCY

7. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Successor Agency.

Minutes of the May 28, 2020 Successor Agency Meeting (City Clerk)

Recommendation:

- Approve the minutes as submitted.

CITY COUNCIL

8. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the City Council.

- a. Minutes of the May 28, 2020 Regular City Council Meeting (City Clerk)

Recommendation:

- Approve the minutes as submitted.

- b. General Motion to Waive Full Reading and Read Ordinance by Title Only Pursuant to California Government Code Section 36934 (City Clerk)

Recommendation:

- Approve a general motion to waive full reading and read Ordinance titles only, pursuant to California Government Code Section 36934.

- c. Resolution Nos. 9679 and 9680 – Approval of Engineer's Report (Fiscal Year 2020/21) in Conjunction with Annual Levy of Assessments for Street Lighting District No. 1 (Public Works)

Recommendation:

- Adopt Resolution No. 9679, approving the Engineer's Report (Fiscal Year 2020/21) in conjunction with the annual levy of assessments for Street Lighting District No. 1; and
- Adopt Resolution No. 9680, declaring the City of Santa Fe Springs' intention to provide for an annual levy and collection of assessments for Lighting District No. 1, and setting the public hearing for the Council meeting of July 23, 2020.

- d. Resolution Nos. 9681 and 9682 – Approval of Engineer’s Report (Fiscal Year 2020/21) in Conjunction with Annual Levy of Assessment for Heritage Springs Assessment District No. 2001-1 (Hawkins Street and Palm Drive) (Public Works)

Recommendation:

- Adopt Resolution No. 9681, approving the Engineer’s Report (Fiscal Year 2020/21) in conjunction with the annual levy of assessments for the Heritage Springs Assessment District No. 2001-01; and
- Adopt Resolution No. 9682 declaring the City of Santa Fe Springs’ intention to provide for an annual levy and collection of assessments for Heritage Springs Assessment District No. 2001-01, and setting the public hearing for the Council meeting of July 23, 2020.

- e. Approval of Parcel Map No. 82732 – Located at 13900 Carmenita Road (Public Works)

Recommendation:

- Approve Parcel Map No. 82732;
- Find that Parcel Map No. 82732 together with the provisions for its design and improvement, is consistent with the City’s General Plan; and
- Authorize the City Engineer and City Clerk to sign Parcel Map No. 82732.

- f. Status update for the appeal of a denial involving an application for a Conditional Use Permit (CUP Case No. 795), five (5) Zone Variances (ZV Case Nos. 82 and 84-87) and a Development Agreement (DA 01-2020), filed by Becker Boards, on a parcel located at 13539 Freeway Drive (APN: 8069-016-006) (Planning)

Recommendation:

- Receive and file the report.

ORDINANCE FOR ADOPTION

9. Ordinance No. 1110 – An ordinance of the City of Santa Fe Springs Amending Sections 155.003 (Definitions), 155.644 (Accessory Dwelling Units) and 155.644.1 (Junior Accessory Dwelling Units) of Chapter 155 (Zoning) of Title 15 (Land Use) of the Santa Fe Springs Municipal Code Relating to the Construction of Accessory Dwelling Units and Junior Accessory Dwelling Units in the A-1, Light Agricultural; R-1, Single-Family Residential; and R-3, Multi-Family Residential, Zones. (City of Santa Fe Springs) (Planning)

Recommendation:

- Adopt Ordinance No. 1110.

NEW BUSINESS

10. Landscape Maintenance Services: Approval of Contract Amendment Three (Public Works)

Recommendation:

- Approve Contract Amendment Three extending contract with Complete Landscape Care, Inc. to July 31, 2020; and
- Authorize the Mayor to execute Amendment Three.

11. Resolution No. 9683 – Authorizing the Publication of Notice to Sell a Franchise to Park Water Company for Maintenance and Operation of Pipelines in City Streets (Public Works)
Recommendation:
 - Approve Resolution No. 9683 setting the date of July 23, 2020 for the public hearing on the granting of a franchise to Park Water Company.
 12. Resolution No. 9674 – Adoption of Annual Appropriation (GANN) Limit for Fiscal Year 2020-21 (Finance)
Recommendation:
 - Adopt Resolution No. 9674 setting the appropriation limit for Fiscal Year 2020-21.
 13. Adoption of City's Fiscal Year 2020-21 Operating Budget (Finance)
Recommendation:
 - Adopt the fiscal year 2020-21 City Budget as detailed in the proposed budget document and adjusted as discussed in this report, including the actions as set forth herein.
 14. Adoption of the City's FY 2020-21 Investment Policy (Finance)
Recommendation:
 - Adopt the Investment Policy for FY 2020-21.
 15. Consideration of Entering Into an Exclusive Negotiating Agreement (ENA) by and Between the City of Santa Fe Springs, a Municipal Corporation ("City") and Westland Real Estate Group, a California Limited Liability Company ("Developer") for the Development of the ±4.02-acre Property (APN: 8009-007-930) Located on the South Side of Telegraph Road, East of Heritage Park Drive and West of Norwalk Boulevard, Santa Fe Springs, CA 90670 (Planning)
Recommendation:
 - Authorize Entering Into an Exclusive Negotiating Agreement by and Between the City of Santa Fe Springs, a Municipal Corporation ("City") and Westland Real Estate Group, a California Limited Liability Company ("Developer") for the Development of the ±4.02-acre Property (APN: 8009-007-930) located on the south side of Telegraph Road, east of Heritage Park Drive and West of Norwalk Boulevard), Santa Fe Springs, CA 90670
 - Authorize the Mayor or designee to execute the ENA, in substantially the same form, and acceptable to the City Attorney, on behalf of the City.
 16. **CITY MANAGER'S AND EXECUTIVE TEAM REPORTS**
 17. **COUNCIL COMMENTS**
- RECESS TO CLOSED SESSION** [will not take place on Zoom or over telephone]

City of Santa Fe Springs

Regular Meetings

June 25, 2020

CLOSED SESSION

18. THREAT TO PUBLIC SERVICES OR FACILITIES

(Pursuant to California Government Code Section 54957)

Consultation with: Fire Chief, Police Chief and Captain, Director of Police Services, City Attorney

CLOSED SESSION

19. CONFERENCE WITH LABOR NEGOTIATORS

(Pursuant to California Government Code Section 54957.6)

Agency Designated Representatives: City Manager, Director of Finance, Human Resources Manager, Labor Negotiator

Employee Organizations: Santa Fe Springs City Employees' Association and Santa Fe Springs Firefighters' Association

CLOSED SESSION

20. CONFERENCE WITH LABOR NEGOTIATORS

(Pursuant to California Government Code Section 54957.6)

Agency Designated Representatives: City Manager, Labor Negotiator

Employee Organization: Santa Fe Springs Executive, Management and Confidential Employees' Association

CLOSED SESSION

21. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): Two Cases

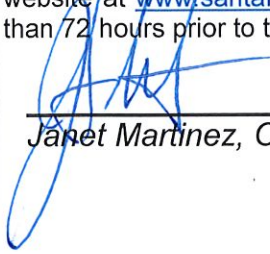
RECONVENE MEETING [on Zoom and over telephone]

22. **CLOSED SESSION REPORT**

23. **ADJOURNMENT**

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. 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.

I, Janet Martinez, City Clerk for the City of Santa Fe Springs, do hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; city's website at www.santafesprings.org; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 72 hours prior to the meeting.


Janet Martinez, CMC, City Clerk

June 18, 2020

Date Posted

FOR ITEM NO. 4A
PLEASE SEE ITEM NO. 8A



CONSENT CALENDAR

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

RECOMMENDATION

Receive and file the report.

BACKGROUND

The Santa Fe Springs Public Financing Authority (PFA) is a City entity that has periodically issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the PFA.

Consolidated Redevelopment Project 2006-A Tax Allocation Bonds

Financing proceeds available for appropriation at 05/31/20

None

Outstanding principal at 05/31/20

\$38,140,344

Bond Repayment

The former Community Development Commission (CDC) issued a number of tax allocation bonds before it was dissolved by State law effective February 1, 2012 which are administered by the City acting as Successor Agency under the oversight of the appointed Oversight Board. The Successor Agency no longer receives tax increment. Instead, distributions from the Redevelopment Property Tax Trust Fund (RPTTF) are received based on approved obligations. It is anticipated that sufficient allocations from the RPTTF will continue to be made to the Successor Agency to meet ongoing debt service obligations.

Unspent Bond Proceeds

Under an approved Bond Expenditure Agreement, unspent bond proceeds of the former CDC in the amount of approximately \$19 million were transferred to the City in July 2014. The funds are to be spent in accordance with the original bond documents. The unspent proceeds continue to be a source of funding within the City's capital improvement program (CIP).

2016 Bond Refunding

In July 2016, the Successor Agency issued its 2016 Tax Allocation Refunding Bonds, which paid off several bond issuances of the former CDC. The bonds were originally issued through the Public Financing Authority and included the 2001 Series A, 2002 Series A, 2003 Series A, the current interest portion of the 2006 Series A, and 2006 Series B bond issuances.

2017 Bond Refunding

In December 2017, the Successor Agency issued its 2017 Tax Allocation Refunding Bonds, which paid off the 2007 Tax Allocation Bonds of the former CDC. The 2007 Bonds were originally issued through the Public Financing Authority.



Raymond R. Cruz
City Manager/Executive Director

FOR ITEM NO. 5A
PLEASE SEE ITEM NO. 8A



City of Santa Fe Springs

ITEM NO. 5B

Water Utility Authority Meeting

June 25, 2020

CONSENT CALENDAR

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA)

RECOMMENDATION

Receive and file the report.

BACKGROUND

The Santa Fe Springs Water Utility Authority (WUA) is a City entity that has issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the WUA.

Water Revenue Bonds, 2013

Financing proceeds available for appropriation at 05/31/20	None
Outstanding principal at 05/31/20	\$6,890,000

Water Revenue Bonds, 2018

Financing proceeds available for appropriation at 05/31/20	None
Outstanding principal at 05/31/20	\$1,225,000

In May 2013 the Water Utility Authority issued the 2013 Water Revenue Bonds in the amount of \$6,890,000. The bonds refunded the existing 2003 Water Revenue Bonds (issued through the Public Financing Authority) and provided additional funds for water improvement projects in the amount of \$2,134,339. The funds were restricted for use on water system improvements. In August 2013 the Water Utility Authority Board appropriated the proceeds for the Equipping Water Well No. 12 Project and all proceeds were since used on this project.

In January 2018 the Water Utility Authority issued the 2018 Water Revenue Bonds in the amount of \$1,800,000. The bonds refunded the existing 2005 Water Revenue Bonds (issued through the Public Financing Authority). No additional funds were raised through the issuance of the 2018 Water Revenue Bonds.

The City budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the 2013 and 2018 Water Revenue Bonds.

The WUA was formed in June of 2009. Water revenue bonds issued prior to this date were issued through the City of Santa Fe Springs Public Financing Authority.



Raymond R. Cruz
City Manager/Executive Director



City of Santa Fe Springs

Water Utility Authority Meeting

June 25, 2020

CONSENT AGENDA

Status Update of Water-Related Capital Improvement Projects

RECOMMENDATION

- Receive and file the report.

BACKGROUND

This report is for informational purposes only. The following is a listing of current active water projects.

Whittier Water Connection Project

The project is currently out to bid, with the bids due on July 7, 2020. The project will provide for additional water supply from the City of Whittier, and therefore less reliance on the more costly water from Metropolitan Water District. Staff anticipates requesting an award of contract from the Water Utility Authority at the July 25, 2020 meeting.

FISCAL IMPACT

The design of the Whittier Water Connection is fully funded from the Water Capital Improvement Projects Fund. However, funding has not been allocated for the construction of the project. The staff estimate for the project construction is approximately \$350,000. At the time staff requests the Award of Contract, staff will also request for construction funding for the project. Sufficient funding is available in the Water CIP Fund.

INFRASTRUCTURE IMPACT

The Whittier Water Connection Project will increase the water capacity into the City and reduce the dependency on the current connection with the Metropolitan Water District.


Raymond R. Cruz
Executive Director

Attachments:

None

Report Submitted By:

Noe Negrete
Director of Public Works



Date of Report: June 18, 2020

FOR ITEM NO. 6
PLEASE SEE ITEM NO. 8A

FOR ITEM NO. 7
PLEASE SEE ITEM NO. 8A



City of Santa Fe Springs

City Council Meeting

June 25, 2020

CONSENT AGENDA

Minutes of the May 28, 2020 Regular City Council Meeting

RECOMMENDATION(S)

- Approve the minutes as submitted.

BACKGROUND

Staff has prepared minutes for the following meeting:

- May 28, 2020 Meeting Minutes

Staff hereby submits the minutes for Council's approval.



Raymond R. Cruz
City Manager

Attachments:

1. May 28, 2020 Meeting Minutes



APPROVED:

MINUTES OF THE MEETINGS OF THE CITY COUNCIL

May 28, 2020

1. **CALL TO ORDER**

Mayor Rounds called the meeting to order via teleconference at 6:00 p.m.

2. **ROLL CALL**

Members present: Councilmembers/Directors: Rodriguez, Trujillo, Zamora, Mayor Pro Tem/Vice Chair Mora and Mayor/Chair Rounds.

Members absent: None

Janet Martinez, City Clerk announced that members of the Public Financing Authority and Water Utility Authority receive \$150 for their attendance at meetings.

3. **PUBLIC COMMENTS**

There were two people wishing to speak during Public Comments: Jeremy Carnum and Stephane Wandel.

PUBLIC FINANCING AUTHORITY

4. **CONSENT AGENDA**

- a. Minutes of the April 23, 2020 Public Financing Authority (City Clerk)

Recommendation:

- Approve the minutes as submitted.

- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA) (Finance)

Recommendation:

- Receive and file the report.

It was moved by Councilmember Zamora, seconded by Councilmember Trujillo, to approve Item Nos. 4A and 4B, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nays: None

Absent: None

WATER UTILITY AUTHORITY

5. **CONSENT AGENDA**

- a. Minutes of the April 23, 2020 Water Utility Authority (City Clerk)

Recommendation:

- Approve the minutes as submitted.

- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA) (Finance)

Recommendation:

- Receive and file the report.

- c. Status Update of Water-Related Capital Improvement Projects (Public Works)

Recommendation:

- Receive and file the report.

It was moved by Mayor Pro Tem Mora, seconded by Councilmember Rodriguez, to approve Item Nos. 5A, 5B, and 5C, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nayes: None

Absent: None

NEW BUSINESS

6. Whittier Water Connection Upgrade – Authorization to Advertise for Construction Bids (Public Works)

Recommendation:

- Approve the Plans and Specifications; and
- Authorize the City Engineer to advertise for construction bids.

It was moved by Councilmember Trujillo, seconded by Councilmember Zamora, to approve the Plans and Specifications, and authorize the City Engineer to advertise for construction bids, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nayes: None

Absent: None

HOUSING SUCCESSOR

7. **CONSENT AGENDA**

Minutes of the April 23, 2020 Housing Successor (City Clerk)

Recommendation:

- Approve the minutes as submitted.

It was moved by Councilmember Rodriguez, seconded by Mayor Pro Tem Mora, to approve the minutes as submitted, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nayes: None

Absent: None

SUCCESSOR AGENCY

8. **CONSENT AGENDA**

Minutes of the April 23, 2020 Successor Agency (City Clerk)

Recommendation:

- Approve the minutes as submitted.

It was moved by Councilmember Zamora, seconded by Councilmember Trujillo, to approve the minutes as submitted, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nayes: None

Absent: None

CITY COUNCIL

9. CONSENT AGENDA

- a. Minutes of the April 23 and 29, 2020 Regular and Special City Council Meetings (City Clerk)

Recommendation:

- Approve the minutes as submitted.

- b. Status update for the appeal of a denial involving an application for a Conditional Use Permit (CUP Case No. 795), five (5) Zone Variances (ZV Case Nos. 82 and 84-87) and a Development Agreement (DA 01-2020), filed by Becker Boards, on a parcel located at 13539 Freeway Drive (APN: 8069-016-006) (Planning)

Recommendation:

- Receive and file the report.

- c. Authorize the Disposal of Surplus Vehicles and Equipment by Way of Public Auction (Finance)

Recommendation:

- Authorize the disposal of four (4) surplus vehicles, and various obsolete equipment at public auction.

It was moved by Councilmember Trujillo, seconded by Councilmember Rodriguez, to approve Items Nos. 9A, 9B, and 9C, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nayes: None

Absent: None

PUBLIC HEARING

10. Resolution No. 9673 – Amendment of Water Rates and Related Charges for Fiscal Year 2020-2021 (Public Works)

Recommendation:

- Acknowledgement all written protests that have been received and verify that they do not exceed 50% of all City water customers;
- Conduct a Public Hearing on the proposed water rate increase; and
- Adopt Resolution No. 9673 to amend water rates and service charges effective June 1, 2020.

Director of Public Works, Noe Negrete provided an informational presentation on Item No. 10. City Manager Ray Cruz provided additional information.

Councilmember Trujillo asked about the repercussions of delaying the implementation of water rates. Mayor Pro Tem Mora commented that if changes were not implemented now, they would have to implement in the future.

Mayor Rounds opened the Public Hearing at 6:33 p.m.

The following people spoke during the Public Hearing: Stephane Wandel, Jeremy Carnam, Maria Gonzalez, and Lynn Berg.

Mayor Rounds closed the Public Hearing at 6:46 p.m.

It was moved by Councilmember Trujillo, seconded by Councilmember Rodriguez, to acknowledge all written protests that have been received and verify they do not exceed 50% of all City water customers, conduct a Public Hearing on the proposed water rate increases, and adopt Resolution No. 9673 to amend water rates and service charges effective June 1, 2020, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nayes: None

Absent: None

NEW BUSINESS

11. Amendment Number Two to Lease Agreement between the City of Santa Fe Springs and The Whole Child (TWC) for use of modular building located at the Gus Velasco Neighborhood Center (Community Services)

Recommendation:

- Approve Amendment Number Two to Lease Agreement between the City of Santa Fe Springs and The Whole Child to extend the lease term by one year for use of the modular building located at the Gus Velasco Neighborhood Center.

It was moved by Councilmember Trujillo, seconded by Councilmember Rodriguez, to approve Amendment Number Two to Lease Agreement between the City of Santa Fe Springs and The Whole Child to extend the lease term by one year for use of the modular building located at the Gus Velasco Neighborhood Center, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nayes: None

Absent: None

12. Engineering Project Management Services – Various City of Santa Fe Springs Park Improvement Projects – Award of Contract (Public Works)

Recommendation:

- Amend the Adopted Capital Improvement Program for FY 2012/15 to include the Various City of Santa Fe Springs Park Improvement Projects;
- Accept the Proposals submitted by Onward Engineering;
- Award Contract to Onward Engineering from Anaheim, California for the

Various City of Santa Fe Springs Park Improvement Projects Management Services in the total amount of \$171,168.00 (Los Nietos Park - \$22,800, Santa Fe Springs Park - \$36,892, Heritage Park - \$32,100, and Little Lake Park - \$79,376); and;

- Authorize the Mayor to execute the agreements with Onward Engineering.

It was moved by Councilmember Rodriguez, seconded by Councilmember Zamora, to amend the adopted Capital Improvement Program for FY2012/15 to include the Various City of Santa Fe Springs Park Improvement Projects, accept the Proposals submitted by Onward Engineering, award a Contract to Onward Engineering from Anaheim, California for the Various City of Santa Fe Springs Park Improvement Projects Management Services in the total amount of \$171,168.00 (Los Nietos Park - \$22,800, Santa Fe Springs Park - \$36,892, Heritage Park - \$32,100, and Little Lake Park - \$79,376), and authorize the Mayor to execute the agreements with Onward Engineering, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nayes: None

Absent: None

13. Authorize the Purchase of One (1) Ford F-150 and One (1) Ford F-250 from National Auto Fleet Group by Piggybacking off Sourcwell Cooperative Contract No. 120716-NAF (Finance)

Recommendation:

- Authorize the purchase of one (1) New 2020 Ford F-150 SuperCab from National Auto Fleet Group per attached quote ID 13487 R1 for \$34,512.57.
- Authorize the purchase of one (1) New 2020 Ford F-250 SuperCab from National Auto Fleet Group per attached quote ID 12608 R3 for \$43,728.19.
- Authorize the Director of Purchasing Services to issue a purchase order to National Auto Fleet Group for \$78,240.76 for the purchase of the above vehicles.

It was moved by Councilmember Rodriguez, seconded by Councilmember Zamora, to authorize the purchase of one (1) New 2020 Ford F-150 SuperCab from National Auto Fleet Group per attached quote ID 13487 R1 for \$34,512.57, authorize the purchase of one (1) New 2020 Ford F-250 SuperCab from National Auto Fleet Group per attached quote ID 12608 R3 for \$43,728.19, and authorize the Director of Purchasing Services to issue a purchase order to National Auto Fleet Group for \$78,240.76 for the purchase of the above vehicles, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nayes: None

Absent: None

14. CITY MANAGER AND EXECUTIVE TEAM REPORTS

- City Manager, Ray Cruz spoke about resuming normal operations for City Hall during the Coronavirus pandemic. He is working alongside Department heads to ensure safety measures are being taken before reopening. He also spoke about the cancellation of the July 3rd Celebration, but announced that TNT fireworks booths will be available within the City.
- Director of Public Works, Noe Negrete thanked Council for their support with the proposed water rate changes.
- Director of Planning, Wayne Morrell spoke about removing soil that was inappropriately dumped on a portion of land owned by the City within the City of Pico Rivera along the San Gabriel River. He also spoke about staff continuing to work on the General Plan and spoke about the website www.reimaginesantafesprings.org where residents can obtain more information. He provided an update on a valve fix by the Yoshinoya Restaurant on Telegraph Rd. Lastly, he provided an update on the Sonic Restaurant project following the acceptance of conditions.
- Director of Police Services, Dino Torres spoke about resuming citations for street sweeping violations on June 1st. Warning signs were placed on cars and distributed on social media.
- Fire Chief Brent Hayward provided an update on the number of confirmed COVID-19 cases in Los Angeles County and surrounding cities. He also spoke about meeting with the fireworks both vendors at City Hall on June 17th. Lastly, he thanked all those who are remembered on Memorial Day.
- Director of Finance and Administrative Services, Travis Hickey spoke about the City's website being down for maintenance on June 8th and a portion of June 9th.
- Director of Community Services, Maricela Balderas spoke about the Parks and Recreation Department launching the "Rec n' Roll" Program. She also noted that the tennis courts at the Los Nietos Park will be reopened with limitations and that reservations are needed online. She also spoke about the Summer Lunch Program starting on June 8th until July 17th from 12:00 p.m. to 1:00 p.m. Starting June 8th, City parks will be staffed from 10:00a.m. to 5:00p.m. She also announced that online registration is now open for virtual classes that begin on June 15th. Lastly, she thanked Council for recording a video message for the graduating 2020 class.

15. COUNCIL COMMENTS

Councilmember Rodriguez thanked Community Services staff and asked residents to please be mindful of others and to not purchase or detonate illegal fireworks. She also thanked Director of Police Services Dino Torres for notifying residents of the resuming citations. She also thanked City staff for being positive.

Councilmember Trujillo echoed Councilmember Rodriguez's sentiments regarding illegal fireworks. She also thanked Community Services Director Maricela Balderas for her department's events and lastly thanked Public Works Director Noe Negrete for his

presentation.

Councilmember Zamora thanked staff for their hard work and thanked all the frontline workers who are fighting the virus. He also extended his gratitude to the Nakamura Family in light of Memorial Day.

Mayor Pro Tem Mora thanked the residents for their patience during the Stay-at-Home orders. He congratulated the 2020 graduates and also thanked staff for their hard work.

Mayor Rounds thanked City staff all of their hard work during the past months. He also spoke about the Florence Avenue Widening Project and hoped that the bridge would be completed by the end of July or early August.

CLOSED SESSION

16. THREAT TO PUBLIC SERVICES OR FACILITIES

(Pursuant to California Government Code Section 54957)

Consultation with: Fire Chief, Police Chief and Captain, Director of Police Services, City Attorney

CLOSED SESSION

17. CONFERENCE WITH LABOR NEGOTIATORS

(Pursuant to California Government Code Section 54957.6)

Agency Designated Representatives: City Manager, Director of Finance, Human Resources Manager, City Attorney, Labor Negotiator.

Employee Organizations: Santa Fe Springs City Employees' Association and Santa Fe Springs Firefighters' Association

CLOSED SESSION

18. CONFERENCE WITH LABOR NEGOTIATORS

(Pursuant to California Government Code Section 54957.6)

Agency Designated Representatives: City Manager, City Attorney, Labor Negotiator

Employee Organization: Santa Fe Springs Executive, Management and Confidential Employees' Association

CLOSED SESSION

19. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Pursuant to Government Code Section 54956.8)

Property: APN #8009-007-930

Agency Negotiator: Wayne Morrell, Director of Planning

Negotiating Parties: Westland Real Estate Group

Under Negotiation: Price and Terms

City Attorney Ivy M. Tsai requested to add an additional Closed Session item with the findings that the item arose after the posting of the agenda and it cannot wait until the next council meeting.

Minutes of the May 28, 2020 Public Financing Authority, Water Utility Authority, Housing Successor, Successor Agency, and City Council Meetings

It was moved by Mayor Pro Tem Mora, seconded by Councilmember Trujillo to add Closed Session Item No. 20.

CLOSED SESSION

20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): One Case

Mayor Rounds recessed the meeting at 7:22 p.m.

Mayor Rounds reconvened the meeting at 8:38 p.m.

21. CLOSED SESSION REPORT

City Attorney, Ivy M. Tsai provided a report on the closed session item: Direction was given to staff and no reportable action was taken.

22. ADJOURNMENT

Mayor Rounds adjourned the meeting at 8:40 p.m. in memory of Pastor Stephane Woody and Leslie Sanders.

William K. Rounds
Mayor

ATTEST:

Janet Martinez
City Clerk

Date



City of Santa Fe Springs

City Council Meeting

June 11, 2020

CONSENT AGENDA

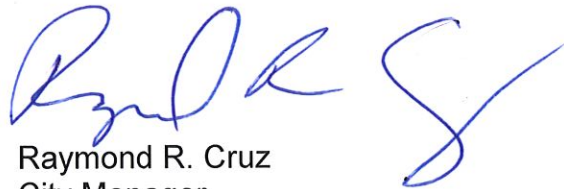
General Motion to Waive Full Reading and Read Ordinance by Title Only Pursuant to California Government Code Section 36934

RECOMMENDATION(S)

- Approve a general motion to waive full reading and read Ordinance titles only, pursuant to California Government Code Section 36934.

BACKGROUND

In order to expedite the conduct of business at City Council meetings, California State Law (California Government Code Section 36934) allows Ordinances to be read by title if a majority of the legislative body supports the motion to waive the full reading.



Raymond R. Cruz
City Manager

Attachment(s):

None



City of Santa Fe Springs

City Council Meeting

ITEM NO. 8C

June 25, 2020

CONSENT AGENDA

Resolution Nos. 9679 and 9680 – Approval of Engineer's Report (Fiscal Year 2020/21) in Conjunction with Annual Levy of Assessments for Street Lighting District No. 1

RECOMMENDATION

- Adopt Resolution No. 9679, approving the Engineer's Report (Fiscal Year 2020/21) in conjunction with the annual levy of assessments for Street Lighting District No. 1; and
- Adopt Resolution No. 9680, declaring the City of Santa Fe Springs' intention to provide for an annual levy and collection of assessments for Lighting District No. 1, and setting the public hearing for the Council meeting of July 23, 2020.

BACKGROUND

Santa Fe Springs Lighting District No. 1 (District) was formed May 26, 1982, pursuant to the provisions of the Landscaping and Lighting Act of 1972. A map of the District is shown on Page 16 of the Engineer's Report. The District does not include any residential properties, or any properties with a residential land code. A map of the boundaries of the District is attached (See Exhibit C).

After the initial formation of the district, it is necessary for the City to annually update the Lighting District. This allows the City to continue levying annual assessments against the properties located within the Lighting District. The required documents to satisfy the legal requirements are outlined in Chapter 3 of the Landscaping and Lighting Act of 1972 as contained in the Streets and Highways Code.

The annual assessment rate for the District has not been increased since fiscal year 1992/1993, although the costs of providing the improvements that benefit the properties within the District continue to rise. In 2004, the City conducted an election to try to increase the annual assessment rate. However a majority protest existed and the proposed assessment increase was not imposed.

The Council, at their meeting of February 27, 2020 approved Resolution No. 9663 ordering the preparation of plans, specifications, cost estimate, diagram, assessment, and report pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California.

A copy of the Annual Engineer's Report for the City of Santa Fe Springs Lighting District No. 1 is attached for your review and approval. The Engineer's Report satisfies the legal requirements described previously. In summary, the Engineer's Report addresses compliance with the state law, describes method of apportionment and presents a proposed budget for Fiscal Year 2020/21. As noted

Report Submitted By:

Noe Negrete
Director of Public Works

Date of Report: June 18, 2020

on Page 15 of the Engineer's Report, the estimated total direct and administrative costs for providing street lights is \$699,900. The balance to levy is \$195,614.00, which takes into consideration a general fund contribution of \$302,571 to subsidize the District.



Raymond R. Cruz
City Manager

Attachments:

Exhibit A: Engineer's Report

Exhibit B: Resolution Nos. 9679 and 9680

Exhibit C: Lighting District No. 1 Boundary Map



City of Santa Fe Springs

Lighting District No. 1

2020/21 ENGINEER'S ANNUAL LEVY REPORT

Intent Meeting: June 25, 2020

Public Hearing: July 23, 2020

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Suite 200
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ENGINEER'S REPORT AFFIDAVIT
Establishment of Annual Assessments for the:

Santa Fe Springs Lighting District No. 1

City of Santa Fe Springs
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 _____, 2020.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Santa Fe Springs

By: _____

Chonney Gano, Project Manager
District Administration Services

By: _____

Richard Kopecky
R. C. E. #16742

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I. OVERVIEW

A. INTRODUCTION

The City of Santa Fe Springs (hereafter referred to as "City") annually levies and collects special assessments in order to provide and maintain the improvements within the Santa Fe Springs Lighting District No. 1 (hereafter referred to as "District"). The District was formed on May 26, 1982 and is annually levied pursuant to the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code* (hereafter referred to as the "1972 Act"). The annual assessments levied on parcels within the District are based on the special benefits received, and partially fund the costs associated with the installation, maintenance, operation and administration of the public streetlight system within the District.

This Engineer's Report (hereafter referred to as the "Report") has been prepared pursuant to the order of the City Council as required by the provisions *Chapter 3, of the 1972 Act (commencing with Section 22620)*, which outlines the procedures for the annual levy of assessments. This Report provides an update of the District including the proposed expenses and revenues, any substantial change in the improvements or the District, and the proposed assessments to be levied on the County tax roll for Fiscal Year 2020/21 and has been prepared pursuant to the requirements of *Article 4, Chapter 1, of the 1972 Act (inclusive of Sections 22565 through 22574)*. In addition to the provisions of the 1972 Act, it has been determined that the existing annual assessments for this District have been previously levied in accordance with the provisions of the *California Constitution Article XIID* which was enacted as a result of the passage of Proposition 218, approved by the California voters in November 1996.

The annual assessment rate for the District has not been increased since Fiscal Year 1992/1993, although the costs of providing the improvements that benefit the properties within the District have continued to rise. Initially, the rising costs to provide streetlights within the District were offset by the District fund balance and an assessment increase was not necessary. Eventually the District fund balance was exhausted and the City began making increasingly greater contributions each year to the District expenses, not only to cover the general benefit portion of the costs, but also to subsidize the special benefit costs not recovered by the annual assessments.

In 2004, the City performed an extensive review of the District including the boundaries of the District, the properties therein, the special benefit properties received from the improvements, the general benefit the improvements may provide to properties outside the District or to the public at large, as well as the current and long-term costs and expenses associated with providing the improvements. Based on this review and evaluation, the City Council determined that it was necessary and in the best interest of the property owners within the District to conduct a property owner protest ballot proceeding for an increase to the annual assessments for Fiscal Year 2004/2005 in accordance with the

provisions of the *California Constitution Article XIID*. Based on the ballot tabulation conducted on July 8, 2004, a majority protest existed, and the proposed assessment increase was not imposed.

The word “parcel”, for the purposes of this Report, refers to an individual property assigned its own Assessment Parcel Number by the Los Angeles County Assessor’s Office. The Los Angeles County Auditor/Controller uses Assessment Parcel Numbers and specific Fund Numbers to identify, on the tax roll, properties assessed for special district benefit assessments.

At a noticed annual Public Hearing the City Council will consider public testimony regarding the District. The City Council will review the Engineer’s Annual Report and may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments, the Council will order the levy and collection of assessments for Fiscal Year 2020/21 pursuant to the 1972 Act. In such case, the assessment information will be submitted to the County Auditor/Controller for inclusion on the property tax roll for each parcel in Fiscal Year 2020/21. If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current Fiscal Year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate approved by the City Council.

B. COMPLIANCE WITH THE CURRENT LEGISLATION

As a result of the passage of Proposition 218 in November 1996, *Articles XIIC and XIID* were added to the California Constitution. *Article XIID* specifically addressed both the substantive and procedural requirements to be followed for assessments. The procedural and approval process for assessments outlined in this article apply to assessment districts, with the exception of those existing assessments that met one or more of the exemptions set forth in *Section 5* of the Article. Specifically as it relates to Lighting District No. 1, the exemption provision set forth in *Section 5(a)* of *Article XIID* states:

“...assessments existing on the effective date of this Article shall be exempt from the procedures and approval process set forth in Section 4 [if they were] imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control.”

The District’s streetlight assessments were established in Fiscal Year 1982/1983 and have not been increased since Fiscal Year 1992/1993. These assessments have funded improvements that are classified as street improvements as defined herein based on the definitions provided by the Office of the Controller for the State of California in the “Guidelines Relating to Gas Tax Expenditures” published by the

Division of Local Government Fiscal Affairs. The state's gas tax program is administered in city agencies, but audited by the Office of the State Controller. The proceeds of the gas tax are statutorily limited to expenditures for streets and roads. Because the funds are restricted to street and road expenditures, the State Controller has developed the "Street Purpose Definitions and Guidelines" based on the "Manual of Uniform Highway Accounting and Financial Management Procedures" developed by the American Association of State Highway Officials. Street improvement, as it relates to this District, is defined as the construction, operation, or maintenance of facilities within the right of way used for street or road purposes including but not limited to the following:

- Installation or expansion of the streetlight system including replacement of old equipment with superior equipment, installation of traffic signals at intersections and railroad crossings, replacement of equipment as required for relocations for street purposes, and purchase and installation of traffic signal control equipment.
- Servicing lighting systems and street or road traffic control devices including, repainting and repairing traffic signals and lighting standards; and furnishing of power for street and road lighting and traffic control devices.

Therefore, the existing District assessments (assessment rates and method of apportionment) approved and levied prior to the passage of Proposition 218, are exempt from both the substantive and procedural approval process defined by *Article XIID, Section 4*, until such time the assessments are increased.

II. Description of the District and Services

A. BOUNDARIES OF THE DISTRICT

The boundary of the District is completely within the city limits of the City of Santa Fe Springs and is shown on the Assessment Diagram, which is on file in the office of the City Clerk at the City Hall of Santa Fe Springs, a depiction of which is shown in Exhibit A of this Report. The parcels of real property included within the District are identified by land use categories ("Use Codes"). A listing of the Use Codes that may be applicable to parcels within this District and typically utilized by the Los Angeles County Assessor's Office for identification of property land uses is provided in the Method of Apportionment section of this Report. Excluded from assessments are utility easements, rights-of-way, common areas, public schools, public streets, residential properties, and other public properties. The parcels within the District are described in detail on the assessor parcel maps on file in the Los Angeles County Assessor's Office, which by reference are made a part of this Report.

B. 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 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.

C. IMPROVEMENTS, PLANS AND SPECIFICATIONS

The annual special benefit assessments levied on parcels within the District provide funding for a portion of the annual expenses related to the installation, maintenance, operation and administration of the streetlight system within the District boundaries. The costs associated with the improvements are equitably spread among benefiting parcels in proportion to their special benefits. Streetlight improvements within the City of Santa Fe Springs but not within the District boundaries and that portion of the District improvements determined to be general benefit are funded by other revenue sources. Only improvements, services and

incidental expenses permitted under provisions of the 1972 Act that are necessary for the ongoing maintenance, operation and administration of the District streetlight system that provides special benefits to the parcels within the District are included in the annual assessment.

Maintenance of the streetlight system within the District may include, but is not limited to removal, repair, replacement, modification, or relocation of the light standards, poles, bulbs, fixtures, and appurtenances. Servicing of the Southern California Edison Company-owned streetlights is furnished by the Southern California Edison Company or by its successors or assignees. The rates charged by the Edison Company include both the power and maintenance costs and are regulated and authorized by the Public Utilities Commission of the State of California. The City of Santa Fe Springs Public Works Department provides for the servicing of the City-owned streetlights. The energy rates charged for City-owned streetlights is also regulated and authorized by the Public Utilities Commission.

Approximately eleven percent (11%) of the streetlights within the District are owned and maintained by Southern California Edison Company. The remaining eighty-nine percent (89%) of the streetlights are owned by the City of Santa Fe Springs and are maintained by the City. The following table provides a summary of the streetlight inventory within the District for Fiscal Year 2020/21:

Table 1 - Street Light Inventory for Fiscal Year 2020/21

Account No/ Description	Number of Lights Per Type											
	Series 70			Series 100			Series 150			Series 200		
	Watt	Watt	Watt	Watt	Watt	Watt	Watt	Watt	Watt	Watt	Watt	Watt
3-008-8387-95 LS-1 (Edison-owned)	-	2	-	-	-	-	-	-	-	-	-	200
3-008-8182-13 LS-1 (Edison-owned)	-	-	-	-	-	3	-	-	1	-	-	850
3-008-8182-03 LS-1 (Edison-owned)	-	12	-	-	22	-	-	-	-	-	-	7,700
3-008-8182-02 LS-1 (Edison-owned)	-	6	-	-	-	-	-	-	-	-	-	600
3-008-8181-99 LS-1 (Edison-owned)	1	163	-	-	1	-	-	-	-	-	5	18,720
3-008-8181-96 LS-1 (Edison-owned)	5	127	-	-	-	6	-	-	1	-	-	14,500
LS - 1 TOTAL	6	310	-	23	-	26	-	2	-	5	372	42,570
3-008-9238-08 LS-2 (City-owned)	-	87	158	13	-	69	-	1	-	-	-	40,450
3-008-8181-98 LS-2 (City-owned)	-	-	-	126	2	85	-	-	37	3	-	46,380
3-008-8182-00 LS-2 (City-owned)	-	15	90	25	-	96	-	1	6	-	-	35,150
3-008-8182-01 LS-2 (City-owned)	-	14	-	160	-	119	-	-	22	9	-	57,490
3-008-8182-11 LS-2 (City-owned)	-	29	-	334	-	136	-	46	128	-	17	128,200
3-008-8182-14 LS-2 (City-owned)	-	12	-	279	-	356	-	-	88	4	15	143,490
3-008-8182-16 LS-2 (City-owned)	-	-	-	148	21	118	80	11	-	-	-	67,700
LS - 2 TOTAL	-	157	248	1,085	23	979	128	292	16	32	2,960	518,860
GRAND TOTAL	6	467	248	1,108	23	1,005	128	294	16	37	3,332	561,430

The proposed improvements for Fiscal Year 2020/21 are unchanged from the previous Fiscal Year. Streetlight Inventory Maps showing the location of the various streetlights within the District are on file in the office of the City Clerk at the City Hall of the City of Santa Fe Springs and by reference are made part of this Report.

III. Method of Apportionment

A. GENERAL

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the construction, maintenance and servicing of streetlights and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit:

"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."

The formula used for calculating assessments in this District reflects the composition of the parcels, and the improvements and services provided, to fairly apportion the costs based on estimated benefit to each parcel.

In addition, pursuant to *Article XIID, Section 4*, a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel, only special benefits may be assessed and the costs associated with general benefit must separate from the special benefits. Therefore, in compliance with these requirements only the District costs that have been identified as "Special Benefit" are assessed, the costs of any improvements considered to be "General Benefit" have been eliminated from the net amount to be assessed.

B. BENEFIT ANALYSIS

The District's improvements, the associated costs and proposed assessments described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit calculation that proportionally allocates the net cost to the benefiting properties pursuant to the provisions of *Article XIID* and the 1972 Act. The location and extent of the various streetlight improvements within the District and the associated costs have been identified as either "General Benefits" (not assessed) or "Special Benefits".

Special Benefits

The method of apportionment (method of assessment) established for this District utilizes commonly accepted engineering practices and is based on the premise that each of the assessed parcels within the District receives special benefit from the improvements maintained and financed by District assessments. The desirability and security of properties within the District is enhanced by the presence of streetlights in close proximity to those properties.

The primary benefits of streetlights are for the convenience, safety and protection of people as well as the security and protection of property, property improvements

and goods. Specifically, the benefits of adequate and well-maintained streetlights that benefit both the properties and property owners within the District include:

- Improves ingress and egress to property, provides customers, suppliers and employees an enhanced environment in which to access the properties.
- Enhanced deterrence of crime and the aid to police protection and security activities.
- Reduced vulnerability to criminal assault of employees, patrons and owners at night.
- The promotion of increased business activities during nighttime hours.
- Increased nighttime safety on roads and highways.
- Reduced vandalism and other criminal acts and damage to improvements or personal property.
- Improved traffic circulation and reduced nighttime accidents and personal property loss.
- Reduction of dumping, graffiti and loitering typically associated with poorly lighted areas.
- Enhances desirability of properties and the ability to conduct or expand business opportunities through association with an area that has sufficient streetlights.

The intensity or degree of illumination provided within the District can enhance these benefits and is a significant factor in determining the benefits properties receive from streetlights improvements. The number and intensity of the streetlights provided in this District are significantly greater than the residential areas of the City and are generally more extensive than the streetlights provided in similar commercial and industrial areas of other cities. For these reasons, it has been determined that the streetlight improvements provided by the District are a special benefit to the properties within the District.

General Benefit

Although the improvements clearly provide special benefits to properties within the District, it is recognized that some of these facilities by the nature of their location may also benefit properties outside the District that are not assessed and to a lesser extent may provide some benefit to the public at large. Therefore, a portion of the cost to operate, maintain, and service the streetlight improvements within the District are identified as general benefit and not included in the annual assessments as special benefit. In a detailed evaluation of the entire streetlight system within the City of Santa Fe Springs it was determined that, over eighty percent (80%) of the cost to maintain and service the City's streetlights is attributable to the streetlights within this District. The remaining twenty percent (20%) of the City's annual costs for streetlights is associated primarily with the residential areas of the City and these streetlights are currently funded by other revenues sources. Approximately seven percent (7%) of the streetlight improvement costs within the District itself are attributable to streetlight facilities

that benefit properties outside the District as well as properties within the District. Based on this evaluation, it has been determined that twenty-seven percent (27%) of the District's annual costs budgeted for Fiscal Year 2020/21 is considered general benefit. This is a quantifiable percentage based on the current City streetlight system and expenditures. Although not as quantifiable, it is also reasonable to assume that the District improvements also provide some general benefit to the public at large and a reasonable percentage of this benefit should not exceed three percent (3%) for a total general benefit of thirty percent (30%) of the District's costs. The cost of providing the District improvements that are considered general benefit, benefits conferred on real property or to the public at large, shall not be included in the annual assessments and shall be funded by other revenue sources available to the City. These funds are shown in the annual budget of this Report as a General Fund contribution and the amount to be levied as assessments for the District represent only the special benefit portion of the District expenses.

C. ASSESSMENT METHODOLOGY

Pursuant to the 1972 Act, the costs of the District may be apportioned by any formula or method that fairly distributes the net amount to be assessed among assessable parcels in proportion to the estimated benefits to be received by each such parcel from the improvements. The apportionment of costs used should reflect the composition of the parcels and the improvements and services provided based on each parcel's estimated special benefit.

Benefit Assessment Unit

To assess benefits equitably, it is necessary to relate the different types of parcel improvements to each other. A value of one unit has been assigned as the basic benefit assessment unit. The benefit assessment unit consists of three classifications of benefit: people, security and intensity. The Benefit Factor for each property type is equal to the aggregate amount of benefit assessment units that a parcel receives.

The following table summarizes the various property types within the District by use code and the applicable benefit assessment units that are applied to those properties.

Table 2 - Use Codes and Benefit Assessment Units

Use Code	Description	People	Security	Intensity	Benefit Factor
00-09*	Residential	-	-	-	0
10	Vacant Commercial Land	0	0.5	0.5	1
11	Stores	2	1	1	4
12	Store Combinations	2	1	1	4
13	Department Stores	4	2	2	8
15**	Neighborhood Shopping Center	**	**	**	8
16**	Regional Shopping Center	**	**	**	8
17	Office Building	1	1	1	3
18	Hotels and Motels	4	2	2	8
19	Professional Buildings	1	1	1	3
21	Restaurants	3	1	1	5
23	Banks, Savings and Loans	1	1	1	3
24	Service Shops	1	1	1	3
25	Service Stations	2	1	1	4
26	Auto/Recreation Equip Sales	2	2	2	6
27	Parking Lots (Commercial)	1	1	0.5	2.5
28	Animal Kennel	1	0.5	0.5	2
29	Nurseries or Greenhouses	1	0.5	0.5	2
30	Vacant Industrial Land	0	0.5	0.5	1
31	Light Manufacturing	3	1	2	6
32**	Heavy Manufacturing	**	**	**	8
33	Warehousing	2	1	2	5
34	Food Processing Plants	3	1	2	6
36	Lumber Yards	1	1	1	3
37**	Mineral Processing	**	**	**	5
38	Parking Lots (Industrial)	1	0.5	0.5	2
39**	Open Storage	**	**	**	8
44	Truck Crops	0.5	0.25	0.25	1
47	Dairies	0.5	0.25	0.25	1
61	Theaters	3	1	1	5
63	Bowling Alleys	4	2	2	8
64	Club, Lodge Hall, Fraternal Organization	2	1	1	4
65	Recreational	2	1	1	4
71	Churches	1	0.5	0.5	2
72	Schools (Private)	1	0.5	0.5	2
77	Cemeteries, Mausoleums, Mortuaries	0.5	0.25	0.25	1
83	Petroleum and Gas	1	0.5	0.5	2
89	Dump Sites	0.5	0.25	0.25	1
99**	Distribution Centers	**	**	**	8

* Residential Properties are not assessed

** Minimum Assigned Benefit Factor. See Special Use Codes Section for details.

Special Use Codes

The following Use Codes have been listed separately because of their unique operations inherent to their classifications, the size of real property, and the high use as a result of their specific operation. The total benefit assessment unit assigned to each parcel is calculated based on the parcel's acreage and a specified weighting factor applied to that use code designation (formula). However, the minimum benefit units assigned to a parcel shall not be less than the Benefit Factor shown on the "Use Code and Benefit Assessment Units" table shown on the previous page unless the parcel fronts on a street without lights. In this case, the Benefit Factor may be reduced below this minimum. (Refer to the table for "Streets Without Lights").

Use Code 99 is a special use code not found in the Los Angeles County Assessor's listing and is assigned to distribution centers for this District only. Parcels of land in Use Code 99 typically run continual 24-hour operations and receive substantial benefit from the District's streetlight improvements.

Table 3 – Special Use Code

Use Code	Description	Formula
15	Neighborhood Shopping Center	6.32 benefit units / acre
16	Regional Shopping Center	8.71 benefit units / acre
32	Heavy Manufacturing	5.45 benefit units / acre
37	Mineral Processing	3.27 benefit units / acre
39	Open Storage	6.53 benefit units / acre
99	Distribution Center	9.80 benefit units / acre

Streets Without Lights

The total Benefit Assessment Units of any parcel identified on the "Use Code and Benefit Assessment Units" table shown on the previous page that front on a street without District streetlights shall be assessed for people-related benefits only. It has been determined that these parcels do not receive the same special benefits from security or intensity that other parcels in the District receive.

The Special Use Code parcels on streets with no District streetlight facilities are reduced by 1/3 (of Table 3) to account for their reduced special benefits from security or intensity. The calculation of this reduced benefit is outlined in the following table for Special Use Codes:

Table 4 – Special Use Code (Streets Without Lights)

Use Code	Description	Formula
15	Neighborhood Shopping Center	4.23 benefit units / acre
16	Regional Shopping Center	5.84 benefit units / acre
32	Heavy Manufacturing	3.66 benefit units / acre
37	Mineral Processing	2.18 benefit units / acre
39	Open Storage	4.36 benefit units / acre
99	Distribution Center	6.58 benefit units / acre

D. BENEFIT FORMULA

The benefit formula applied to each parcel is based on the preceding Benefit Assessment Unit tables. Each parcel's Benefit Factor is equal to the aggregate amount of benefit assessment units that a parcel receives and correlates to the parcel's special benefit received as compared to other parcels in the District.

The following formulas are used to calculate each property's assessment:

$$\text{People Benefit Assessment Unit} + \text{Security Benefit Assessment Unit} + \text{Intensity Benefit Assessment Unit} = \text{Parcel's Benefit Factor}$$

$$\text{Total Balance to Levy / Aggregate of Benefit Factors} = \text{Levy per Benefit Factor (Assessment Rate)}$$

$$\text{Assessment Rate} \times \text{Parcel's Benefit Factor} = \text{Parcel Levy Amount}$$

The following table provides a summary, by Use Code, of the benefit units, proposed charge, and total count of assessable parcels in the District.

Table 5 – Summary of Assessable Parcels (by Use Code)

Use Code	Description	Benefit Units	Applied Rate	Proposed Charge	Parcel Assessed
10	Vacant Commercial Land	20.00	\$17.05	\$341.00	20
11	Stores	72.00	\$17.05	1,227.60	18
12	Store Combinations	24.00	\$17.05	409.20	6
15**	Neighborhood Shopping Center	628.28	\$17.05	10,712.05	33
16**	Regional Shopping Center	94.10	\$17.05	1,604.43	6
17	Office Building	120.00	\$17.05	2,046.00	40
18	Hotels and Motels	24.00	\$17.05	409.20	3
19	Professional Buildings	18.00	\$17.05	306.90	6
21	Restaurants	135.00	\$17.05	2,301.75	27
23	Banks, Savings and loans	15.00	\$17.05	255.75	5
24	Service Shops	3.00	\$17.05	51.15	1
25	Service Stations	36.00	\$17.05	613.80	9
26	Auto/Recreation Equip Sales	186.00	\$17.05	3,171.30	31
27	Parking Lots (Commercial)	80.00	\$17.05	1,363.84	32
30	Vacant Industrial Land	162.00	\$17.05	2,762.10	162
31	Light Manufacturing	3,747.00	\$17.05	63,886.35	625
32**	Heavy Manufacturing	722.73	\$17.05	12,322.43	39
33	Warehousing	3,604.00	\$17.05	61,448.20	722
34	Food Processing Plants	78.00	\$17.05	1,329.90	13
36	Lumber Yards	15.00	\$17.05	255.75	5
37**	Mineral Processing	412.49	\$17.05	7,032.88	22
38	Parking Lots (Industrial)	56.00	\$17.05	954.80	28
39**	Open Storage	336.40	\$17.05	5,735.55	18
65	Recreational	4.00	\$17.05	68.20	1
71	Churches	2.00	\$17.05	34.10	1
72	Schools (Private)	8.00	\$17.05	136.40	4
83	Petroleum and Gas	2.00	\$17.05	34.10	1
89	Dump Sites	7.00	\$17.05	119.35	7
99**	Distribution Centers	861.02	\$17.05	14,680.34	2
	*Total	11,473.01		\$195,614.42	1,887

* Total parcel count will vary as parcels are submitted under five SBE numbers.

** See Special Use Codes Section.

IV. District Budget

Table 6 – District Budget FY 2020/21

LIGHTING BUDGET (FY 2020/21)		District Budget
Energy Costs		\$320,000
Maintenance and Labor Costs		214,900
Supplies, Materials and Equipment		33,000
Contractual Services		16,000
Overhead		107,500
Direct Costs (Subtotal)		\$691,400
Miscellaneous/Special Administration Expenses		8,500
Administration Costs (Subtotal)		8,500
Total Direct and Admin. Costs		\$699,900
General Benefit Contribution		(201,714)
General Fund Contribution * (Not General Benefit)		(302,571)
Balance to Levy		\$195,614
Total Parcels Levied		1,887
Total Benefit Units		11,473.01
Proposed Levy per Benefit Unit		\$17.05
Current Maximum Assessment Rate		\$17.05

* The City will continue to attempt to identify ways to decrease costs in order to reduce the General Fund Contribution required.

EXHIBIT A – DISTRICT ASSESSMENT DIAGRAM

An Assessment District Diagram has been prepared for the District in the format required by the 1972 Act and is on file in the Office of the City Clerk at the City Hall of Santa Fe Springs and is made part of this Report. The Assessment Diagram is available for inspection at the Office of the City Clerk during normal business hours.

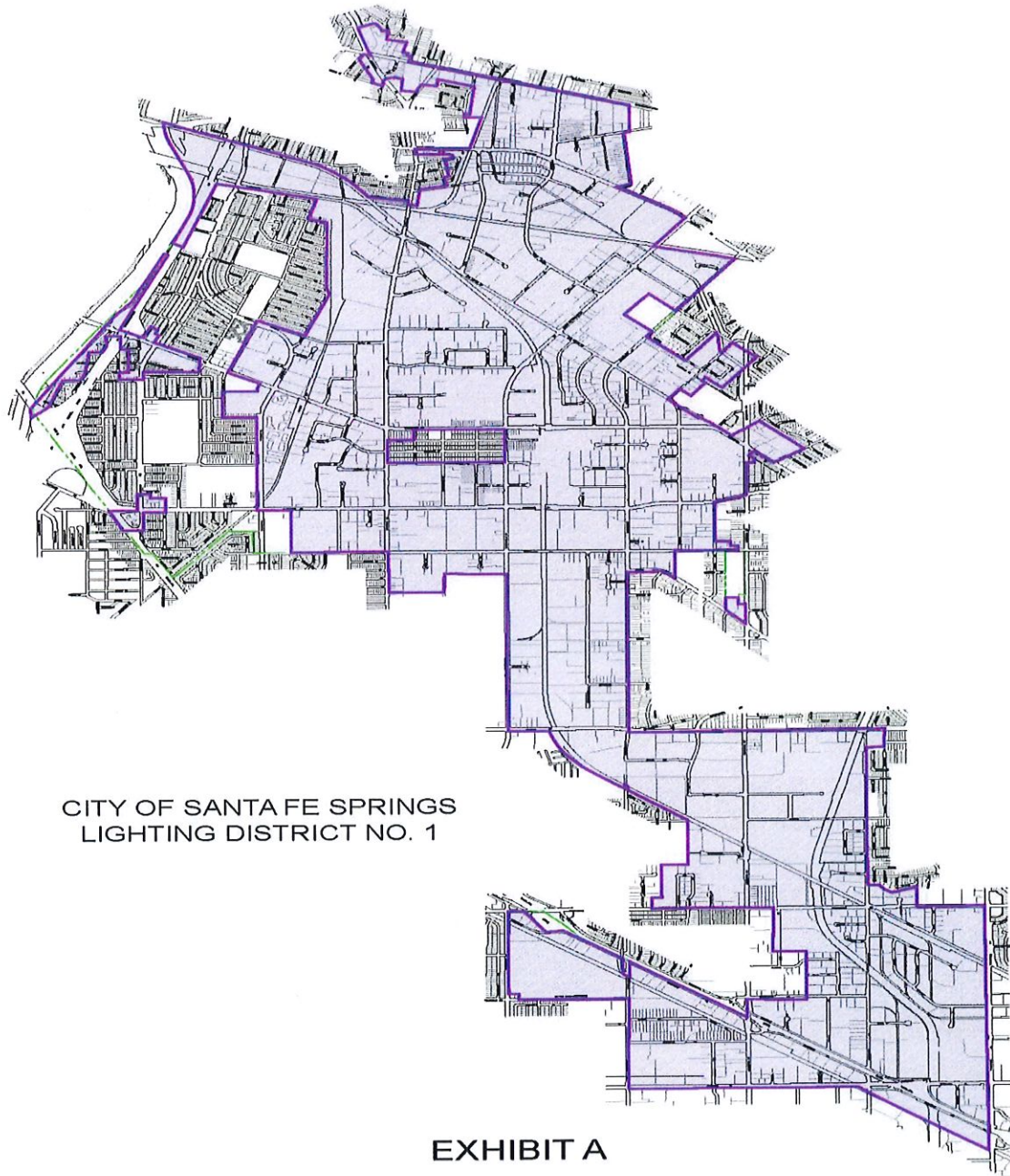


EXHIBIT B – 2020/21 ASSESSMENT COLLECTION ROLL

Parcel identification for each lot or parcel within the District shall be the parcel as shown on the Los Angeles County Assessor's map for the year in which this Report is prepared.

The land use classification for each parcel has been based on the Los Angeles County Assessor's Roll. A listing of parcels assessed within this District, along with the proposed assessment amounts, has been submitted to the City Clerk and by reference is made part of this Report.

Approval of the Annual Engineer's Report (as submitted or as modified) confirms the method of apportionment and the assessment rate to be levied against each eligible parcel and thereby constitutes the approved levy and collection of assessments for Fiscal Year 2020/21. The listing of parcels and the amount of assessment to be levied shall be submitted to the County Auditor/Controller and included on the property tax roll for each parcel in Fiscal Year 2020/21.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current Fiscal Year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate approved in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

RESOLUTION NO. 9679

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS,
CALIFORNIA, APPROVING THE ENGINEER'S "REPORT" FOR ANNUAL LEVY OF
ASSESSMENT FOR FISCAL YEAR IN A DISTRICT WITHIN SAID CITY**

WHEREAS, the CITY COUNCIL of the CITY OF SANTA FE SPRINGS, CALIFORNIA, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, did, by previous Resolution, order the preparation of an Engineer's "Report" for the annual levy of assessments, consisting of plans and specifications, an estimate of the cost, a diagram of the district, and an assessment relating to what is now known and designated as

**CITY OF SANTA FE SPRINGS
LIGHTING DISTRICT NO. 1**

(hereinafter referred to as the "District") and,

WHEREAS, there has now been presented to this City Council the "Report" as required by said Division 15 of the Streets and Highways Code and as previously directed by Resolution; and,

WHEREAS, this City Council has now carefully examined and reviewed the "Report" as presented, and is satisfied with each and all of the items and documents as set forth therein, and is satisfied that the assessments, on a preliminary basis, have been spread in accordance with the benefits received from the maintenance to be performed, as set forth in said "Report."

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

SECTION 1. That the above recitals are true and correct.

SECTION 2. That the "Report" as presented, consisting of the following:

- A. Estimate of costs;
- B. Diagram of the District;
- C. Assessment of the estimated Cost

Is hereby approved; and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Engineer's "Report."

APPROVED and ADOPTED this 25th day of June, 2020.

William K. Rounds, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk

RESOLUTION NO. 9680

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, DECLARING ITS INTENTION TO PROVIDE FOR AN ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR CERTAIN MAINTENANCE IN AN EXISTING DISTRICT, PURSUANT TO THE PROVISIONS OF DIVISION 15, PART 2 OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA, AND SETTING A TIME AND PLACE FOR PUBLIC HEARING THEREON.

WHEREAS, the CITY COUNCIL of the CITY OF SANTA FE SPRINGS, CALIFORNIA has previously formed a lighting district pursuant to terms and provisions of the "Landscaping and Lighting Act of 1972", being Division 15, Part 2 of the Streets and Highways Code of the State of California, in what is known and designated as

**CITY OF SANTA FE SPRINGS
LIGHTING DISTRICT NO. 1**

(hereinafter referred to as the "District") and,

WHEREAS, at this time, this City Council is desirous to take proceedings to provide for the annual levy of assessments for the next ensuing fiscal year, to provide for the costs and expenses necessary for continual maintenance of improvements within said District; and,

WHEREAS, at this time there has been presented and approved by this City Council, the Engineer's "Report" as required by law, and this City Council is desirous of proceeding with the proceedings for said annual levy.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

SECTION 1. That the above recitals are true and correct.

PUBLIC INTEREST

SECTION 2. That the public interest and convenience requires, and it is the intention of this City Council, to undertake proceedings for the annual levy and collection of special assessments for the continual maintenance of certain improvements, all to serve and benefit said District as said area is shown and delineated on a map as previously approved by this City Council and on file in the Office of the City Clerk, open to public inspection, and herein so referenced and made a part hereof, and proposed changes thereto are set forth in the "Report" of the Engineer, incorporated herein as a part hereof.

REPORT

- SECTION 3. That the "Report" of the Engineer regarding the annual levy for said District, which "Report" is for maintenance for the Fiscal Year 2020/2021 is hereby approved and is directed to be filed in the Office of the City Clerk.
- SECTION 4. That the public interest and convenience requires, and it is the intention of this City Council to order the annual assessment levy for the District as set forth and described in said Engineer's "Report," and further it is determined to be in the best public interest and convenience to levy and collect annual assessments to pay the costs and expenses of said maintenance and improvement as estimated in said "Report."

DESCRIPTION OF MAINTENANCE

- SECTION 5. The assessments levied and collected shall be for the maintenance of certain improvements, as set forth in the Engineer's "Report," referenced and so incorporated herein.

COUNTY AUDITOR

- SECTION 6. The County Auditor shall enter on the County Assessment Roll the amount of the assessments, and shall collect said assessments at the time and in the same manner as County taxes are collected. After collection by the County, the net amount of the assessments, after the deduction of any compensation due to the County for collection, shall be paid to the Treasurer for purposes of paying for the costs and expenses of said District.

SPECIAL FUND

- SECTION 7. That all monies collected shall be deposited in a special fund known as

"SPECIAL FUND
CITY OF SANTA FE SPRINGS
LIGHTING DISTRICT NO. 1"

Payment shall be made out of said fund only for the purpose provided for in this Resolution, and in order to expedite the making of this maintenance and improvement, the City Council may transfer into said special fund, from any available source, such funds as it may deem necessary to expedite the proceedings. Any funds shall be repaid out of the proceeds of the assessments provided for in this Resolution.

BOUNDARIES OF THE DISTRICT

SECTION 8. Said contemplated maintenance work is, in the opinion of this City Council, of direct benefit to the properties within the boundaries of the District, and this City Council makes the costs and expenses of said maintenance chargeable upon a district, which district said City Council declares to be the district benefited by said improvement and maintenance, and to be further assessed to pay the costs and expenses thereof. Said District, shall include each and every parcel of land within the boundaries of said District, as said District is shown on a map as approved by this City Council and on file in the Office of the City Clerk, and designated by the name of the District.

PUBLIC PROPERTY

SECTION 9. Any lots or parcels of land known as public property, as the same are defined in Section 22663 of Division 15, Part 2 of the Streets and Highways Code of the State of California, which are included within the boundaries of the District, shall be omitted and exempt from any assessment to be made under these proceedings to cover any of the costs and expenses of said improvement and maintenance work.

PUBLIC HEARING

SECTION 10. NOTICE IS HEREBY GIVEN THAT THURSDAY, THE 23rd DAY OF JULY, 2020 AT THE HOUR OF 6:00 O'CLOCK P.M., IN THE REGULAR MEETING OF THE CITY COUNCIL, BEING THE COUNCIL CHAMBERS, IS THE TIME AND PLACE FIXED BY THIS CITY COUNCIL FOR THE HEARING OF PROTESTS OR OBJECTIONS IN REFERENCE TO THE ANNUAL LEVY OF ASSESSMENTS, TO THE EXTENT OF THE MAINTENANCE, AND ANY OTHER MATTERS CONTAINED IN THIS RESOLUTION, ANY PERSONS WHO WISH TO OBJECT TO THE PROCEEDINGS FOR THE ANNUAL LEVY SHOULD FILE A WRITTEN PROTEST WITH THE CITY CLERK PRIOR TO THE TIME SET AND SCHEDULED FOR SAID PUBLIC HEARING.

NOTICE

SECTION 11. That the City Clerk is hereby authorized and directed to publish a copy of this Resolution. Said publication shall be not less than ten (10) days before the date for said Public Hearing.

EFFECTIVE DATE

SECTION 12. That this Resolution shall take effect immediately upon its adoption.

PROCEEDINGS INQUIRIES

SECTION 13. For any and all information relating to the proceedings, protest procedure, any documentation and/or information of a procedural or technical nature, your attention is directed to the below listed person at the local agency or department so designated:

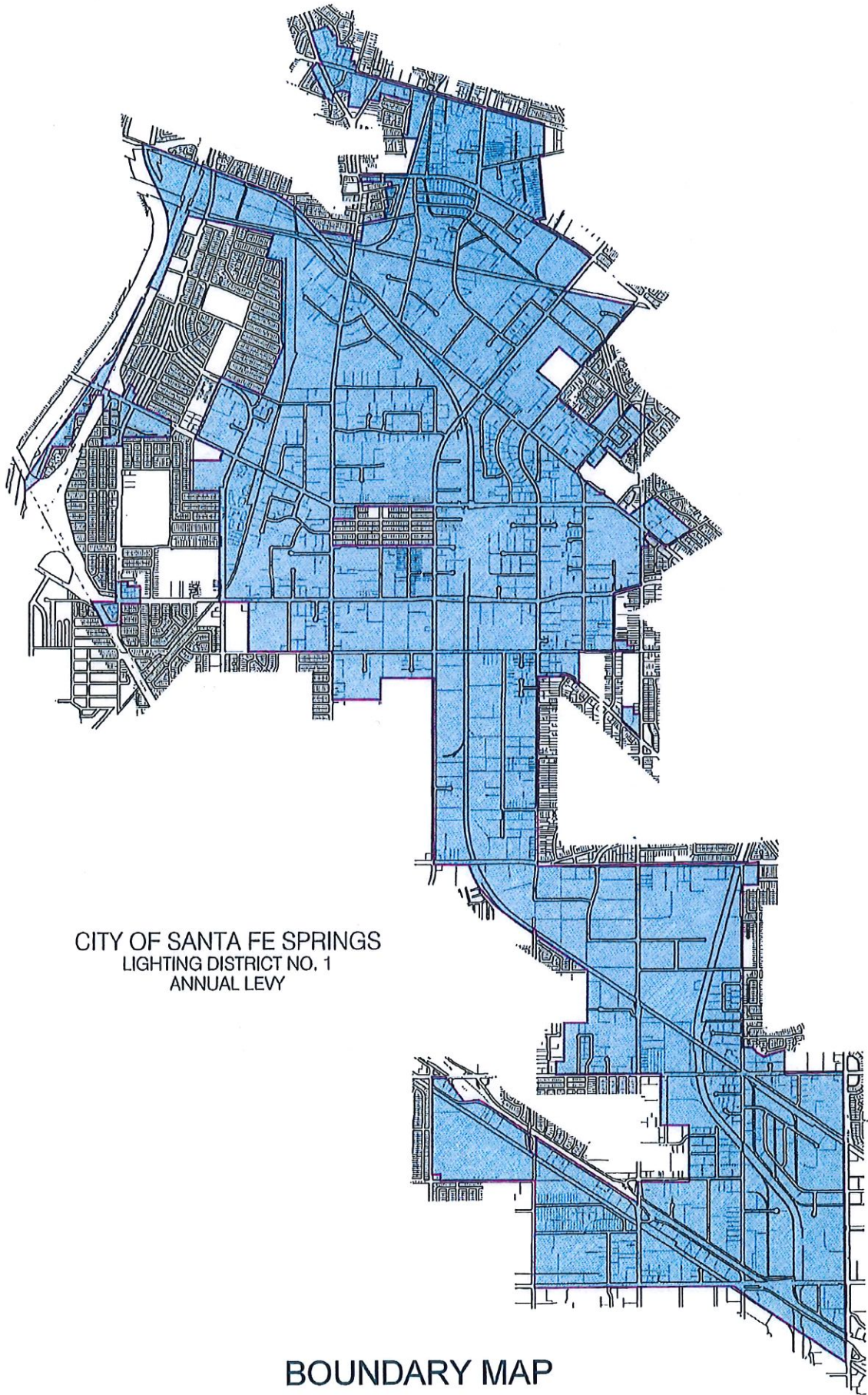
Noe Negrete
City Engineer
CITY OF SANTA FE SPRINGS
11710 Telegraph Road
Santa Fe Springs, CA 90670
(562) 868-0511

APPROVED and ADOPTED this 25th day of June, 2020.

, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk





City of Santa Fe Springs

City Council Meeting

ITEM NO. 8D

June 25, 2020

CONSENT AGENDA

Resolution Nos. 9681 and 9682 – Approval of Engineer's Report (Fiscal Year 2020/21) in Conjunction with Annual Levy of Assessment for Heritage Springs Assessment District No. 2001-1 (Hawkins Street and Palm Drive)

RECOMMENDATIONS

- Adopt Resolution No. 9681, approving the Engineer's Report (Fiscal Year 2020/21) in conjunction with the annual levy of assessments for the Heritage Springs Assessment District No. 2001-01; and
- Adopt Resolution No. 9682 declaring the City of Santa Fe Springs' intention to provide for an annual levy and collection of assessments for Heritage Springs Assessment District No. 2001-01, and setting the public hearing for the Council meeting of July 23, 2020.

BACKGROUND

The Heritage Springs Assessment District (Assessment District) No. 2001-1 was formed on June 28, 2001, pursuant to the provisions of the Municipal Improvement Act of 1913, Division 12. A map of the Assessment District is attached. (See Exhibit C).

The District included a mechanism to provide funding on an annual basis for ongoing street maintenance which includes slurry sealing, street resurfacing or street reconstruction as needed. The requirement for a street maintenance district component was a condition of approval for the initial development. Staff annually inspects the condition of the streets to determine when improvements are needed. Currently the existing status of the street is in fair-to-good condition. Hawkins Street and Palm Drive were slurry sealed on December 2017.

At their meeting of February 27, 2020, the City Council approved Resolution No. 9664 ordering the preparation of the Engineer's Report for Fiscal Year 2020/21. A copy of the Engineer's Report for the Assessment District No. 2001-1 is attached for your review and approval. Resolution No. 9681 approves the Annual Engineer's Report.

Resolution No. 9682 Intention to Levy Annual Assessments in the Heritage Springs Assessment District sets the public hearing date for July 23, 2020 and is attached for your review and approval.

FISCAL IMPACT

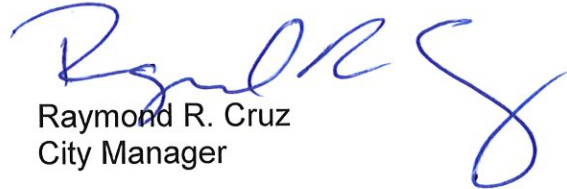
The District has a positive financial impact on the City because a benefit assessment district is used to fund the street maintenance costs attributable to such developments.

Report Submitted By: Noe Negrete, Director
Department of Public Works

Date of Report: June 18, 2020

INFRASTRUCTURE IMPACT

The infrastructure has been constructed for this development and has been maintained on a regular schedule.



Raymond R. Cruz
City Manager

Attachments

Exhibit A: Engineer's Report

Exhibit B: Resolution No. 9681 and 9682

Exhibit C: Boundary Map



CITY OF SANTA FE SPRINGS

ENGINEER'S REPORT

HERITAGE SPRINGS ASSESSMENT

DISTRICT NO. 2001-1

FISCAL YEAR 2020-21

LOS ANGELES COUNTY, CALIFORNIA

June 9, 2020

PREPARED BY



Harris & Associates

22 Executive Park, Suite 200

Irvine, CA 92614

www.weareharris.com



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ENGINEER'S CERTIFICATION

AGENCY: THE CITY OF SANTA FE SPRINGS

PROJECT: HERITAGE SPRINGS ASSESSMENT DISTRICT NO. 2001-1

TO: THE CITY COUNCIL OF THE
CITY OF SANTA FE SPRINGS
STATE OF CALIFORNIA

ENGINEER'S REPORT FOR FISCAL YEAR 2020-21

WHEREAS, the City of Santa Fe Springs, County of Los Angeles, State of California, pursuant to the provisions of the Section 10100.8 Municipal Improvement Act of 1913, being Division 12 of the California Streets and Highways Code (the "Act") intends to undertake proceedings for the annual levy of special assessments in and for the City's Heritage Springs Assessment District No. 2001-1 (the "District");

NOW THEREFORE, the undersigned Engineer of Work hereby submit herewith the "Report" consisting of four (4) parts as follows:

HERITAGE SPRINGS ASSESSMENT DISTRICT

(Hereinafter referred to as the "District"),

I, K. Dennis Klingelhofer, authorized representative of the District, the duly appointed Assessment Engineer submit the following Report which consists of the following four (4) parts and Appendices:

PART I

Description of Improvements: A description of the maintenance activities to be performed

PART II

Cost Estimate: An estimate of the maintenance costs to be paid from the District.

PART III

Assessment Roll: The assessment by parcel.

PART IV

Method of Assessments: The way the assessment is apportioned.



Appendix

Appendix A – Assessment Diagram

In conclusion, it is my opinion that the costs and expenses of the District have been assessed to the lots and parcels within the boundaries of the District in proportion to the estimated benefits to be received by each lot or parcel from the services provided.

DATED: June 9, 2020



Harris & Associates

K. Dennis Klingelhofer, P.E., Assessment Engineer
R.C.E. No. 50255
Engineer of Work
State of California





PART I – DESCRIPTION OF IMPROVEMENTS

The assessments in the District shall be levied for the maintenance of improvements as follows, and shall include all incidental expenses, including administration, legal, establishment of reserves, collection and contracting.

The improvements proposed to be maintained may be generally described as Hawkins Street, east of Norwalk Boulevard, and Palm Drive, south of Hawkins Street. The maintenance of such improvements is proposed to consist of the continued maintenance and operation of such improvements, including the maintenance of pavement and appurtenant facilities that are located in and along such streets, including but not limited to, personnel, electrical energy, utilities, materials, contracting services, and other items necessary for the satisfactory maintenance of these improvements described as follows:

Pavement and Appurtenant Facilities

Pavement and appurtenant facilities, in public street and rights-of-way, within the boundary of said District.

Maintenance means the furnishing of services and materials for the ordinary and usual operation, maintenance, repair and servicing of the above described roadways and appurtenant improvements, including repair, slurry sealing, chip sealing, removal or replacement of all or part of any of the streets or appurtenant improvements, and the administration of all aspects of the maintenance and the District.



PART II – COST ESTIMATE

The estimated amount to be paid annually into the maintenance program fund for the streets as described in Part I of this Report is as follows:

In 2001 \$'s:

Slurry Seal @ 5 and 15 years:

5 years	\$0.16 / SF x	100,000 SF =	\$16,000
15 years	4% estimated inflation per yr =		\$24,000

Street Rehab @ 10 years:

10 years	\$1.50 / SF x	100,000 SF =	\$150,000
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Street Reconstruct @ 20 years:

20 years	\$5.00 / SF x	100,000 SF =	\$500,000
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Total est. 20 year Maintenance Strategy:	\$690,000
round up to:	\$700,000

Estimated annual cost for 2001 =	\$35,000
estimated cost per SF:	\$0.3500

Conversion to 2020 \$'s:

ENR Construction Cost Index Increase

June 2001 - 2020	81.01%
2020 cost per SF:	\$0.6335

Hawkins Street & Palm Drive Improvements SF =	66,680
Annual Cost for Fiscal Year 2020-21 =	\$42,242

Maintenance Fund Capital Reserve Balance =	\$567,820
(fund balance estimated as of July 1, 2020)	



PART III – ASSESSMENT ROLL

The total proposed assessment for Fiscal Year 2020-21 and the amount of the total proposed assessment apportioned to each lot or parcel within the District, as shown on the latest assessment roll at the Los Angeles County Assessor's Office, are shown below.

The description of each lot or parcel is part of the County assessment roll and this roll is, by reference, made part of this Report.

Asmt No.	Assessor's Parcel Number	Fiscal Year 2020-21 Maint. Asmt.
1	8005-015-037	\$9,044.01
2	8005-015-038	\$8,275.63
3	8005-015-039	\$3,393.30
4	8005-015-040	\$2,753.33
5	8005-015-041	\$2,609.29
6	8005-015-042	\$2,321.20
7	8005-015-043	\$1,808.80
8	8005-015-044	\$4,690.13
9	8005-015-045	\$7,347.15
10	8005-015-910	\$0.00
		\$42,242.84



PART IV - METHOD OF APPORTIONMENT

The assessments are apportioned according to the special benefits received by the parcels of land within the Assessment District in accordance with the apportionment of costs at the time of formation. The assessment is necessary to maintain the level of special benefit from the construction of the improvements funded by the District. The proportionate special benefit derived by each parcel is determined in relationship to the entirety of the maintenance cost of the improvements. No assessment has been apportioned on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel.

Only special benefits may be assessed and any general benefits shall be separated from the special benefits for purposes of this Report. Based on the nature of the improvements to be funded herein, there are no general benefits.

Under this Report, the assessment for the District are apportioned in accordance with the foregoing and using the following criteria:

The net acreage of each parcel of land is determined by excluding acreage which will not have direct access to the improvements from Hawkins Street or Palm Drive, and by excluding acreage to be dedicated as roadway, road rights-of-way, or sidewalk easement. Special benefit is determined based on the net acreage of each parcel relative to the total net acreage (the "Benefit Percentage").

The total annual cost for Fiscal Year 2020-21, as shown in Part II of this Report, is apportioned on a percentage basis using the Benefit Percentages, as shown below:

Asmt No.	Assessor's Parcel Number	Net Acreage	Benefit Percentage	Fiscal Year 2020-21 Maint. Asmt.
1	8005-015-037	5.65	21.410%	\$9,044.01
2	8005-015-038	5.17	19.591%	\$8,275.63
3	8005-015-039	2.12	8.033%	\$3,393.30
4	8005-015-040	1.72	6.518%	\$2,753.33
5	8005-015-041	1.63	6.177%	\$2,609.29
6	8005-015-042	1.45	5.495%	\$2,321.20
7	8005-015-043	1.13	4.282%	\$1,808.80
8	8005-015-044	2.93	11.103%	\$4,690.13
9	8005-015-045	4.59	17.393%	\$7,347.15
10	8005-015-910	0.00	0.000%	\$0.00
		26.39	100.00%	\$42,242.84

Based on the preceding, Assessment No. 10 is not assessed as its Benefit Percentage is zero percent.



APPENDIX A – ASSESSMENT DIAGRAM

A diagram showing the exterior boundaries of the District and the lines and dimensions of each lot or parcel of land within the District, entitled "Assessment Diagram, Heritage Springs Assessment District No. 2001-1", is on file in the office of the City Clerk of the City of Santa Fe Springs, and is incorporated herein by reference.

The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles for Fiscal Year 2020-21. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

RESOLUTION NO. 9681

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, APPROVING THE ENGINEER'S REPORT FOR ANNUAL LEVY OF ASSESSMENTS FOR THE HERITAGE SPRINGS ASSESSMENT DISTRICT 2001-1 FOR FISCAL YEAR 2020/2021

WHEREAS, this Council has conducted proceedings under and pursuant to the Municipal Improvement Act of 1913, Division 12, California Streets and Highways Code (the "Act") and Resolution Ordering the Assessment District Formation No. 6642, adopted June 28, 2001 (the "Resolution of Formation"), to form the Heritage Springs Assessment District 2001-1 ("Assessment District"), to authorize the levy of special assessment upon the lands within the Assessment District, to acquire and construct public streets and other improvements, all as described therein; and

WHEREAS, the CITY COUNCIL of the CITY OF SANTA FE SPRINGS, CALIFORNIA, pursuant to the provisions of Division 12 of the Streets and Highways Code of the State of California, did, by previous Resolution, order the preparation of an Engineer's "Report" for the annual levy of assessments, consisting of plans and specifications, an estimate of the cost, a diagram of the district, and an assessment relating to what is now known and designated as

**CITY OF SANTA FE SPRINGS
Heritage Springs Assessment District 2001-1**

WHEREAS, there has now been presented to this City Council the "Report" as required by said Division 12 of the Streets and Highways Code and as previously directed by Resolution; and,

WHEREAS, this City Council has now carefully examined and reviewed the "Report" as presented, and is satisfied with each and all of the items and documents as set forth therein, and is satisfied that the assessments, on a preliminary basis, have been spread in accordance with the benefits received from the maintenance to be performed, as set forth in said "Report."

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

SECTION 1. That the above recitals are true and correct.

SECTION 2. That the "Report" as presented, consisting of the following:

- A. Estimate of costs;
- B. Diagram of the District;
- C. Assessment of the estimated cost

Is hereby approved; and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Engineer's "Report."

APPROVED and ADOPTED this 25th day of June, 2020.

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF SANTA FE SPRINGS

William K. Rounds, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk

RESOLUTION NO. 9682

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, DECLARING ITS INTENTION TO PROVIDE FOR AN ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR CERTAIN MAINTENANCE IN AN EXISTING DISTRICT, PURSUANT TO THE PROVISIONS OF DIVISION 12 OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA, AND SETTING A TIME AND PLACE FOR PUBLIC HEARING THEREON

WHEREAS, this Council has conducted proceedings under and pursuant to the Municipal Improvement Act of 1913, Division 12, California Streets and Highways Code to form the Heritage Springs Assessment District 2001-1 ("Assessment District"), in what is known and designated as:

**CITY OF SANTA FE SPRINGS
Heritage Springs Assessment District 2001-1**

WHEREAS, at this time, this City Council is desirous to take proceedings to provide for the annual levy of assessments for the next ensuing fiscal year, to provide for the costs and expenses necessary for continual maintenance of improvements within said Assessment District; and,

WHEREAS, at this time there has been presented and approved by this City Council, the Engineer's "Report" as required by law, and this City Council is desirous of proceeding with the proceedings for said annual levy.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

SECTION 1. That the above recitals are true and correct.

PUBLIC INTEREST

SECTION 2. That the public interest and convenience requires, and it is the intention of this City Council, to undertake proceedings for the annual levy and collection of special assessments for the continual maintenance of certain improvements, all to serve and benefit said Assessment District as said area is shown and delineated on a map as previously approved by this City Council and on file in the Office of the City Clerk, open to public inspection, and herein so referenced and made a part hereof, and proposed changes thereto are set forth in the "Report" of the Engineer, incorporated herein as a part hereof.

REPORT

- SECTION 3. That the "Report" of the Engineer regarding the annual levy for said District, which "Report" is for maintenance for the Fiscal Year 2019/2020 is hereby approved and is directed to be filed in the Office of the City Clerk.
- SECTION 4. That the public interest and convenience requires, and it is the intention of this City Council to order the annual assessment levy for the Assessment District as set forth and described in said Engineer's "Report," and further it is determined to be in the best public interest and convenience to levy and collect annual assessments to pay the costs and expenses of said maintenance and improvement as estimated in said "Report."

DESCRIPTION OF MAINTENANCE

- SECTION 5. The assessments levied and collected shall be for the maintenance of certain improvements, as set forth in the Engineer's "Report," referenced and so incorporated herein.

COUNTY AUDITOR

- SECTION 6. The County Auditor shall enter on the County Assessment Roll the amount of the assessments, and shall collect said assessments at the time and in the same manner as County taxes are collected. After collection by the County, the net amount of the assessments, after the deduction of any compensation due to the County for collection, shall be paid to the Treasurer for purposes of paying for the costs and expenses of said Assessment District.

SPECIAL FUND

- SECTION 7. That all monies collected shall be deposited in a special fund known as

SPECIAL FUND
CITY OF SANTA FE SPRINGS
Heritage Springs Assessment District 2001-1

Payment shall be made out of said fund only for the purpose provided for in this Resolution, and in order to expedite the making of this maintenance and improvement, the City Council may transfer into said special fund, from any available source, such funds as it may deem necessary to expedite the proceedings. Any funds shall be repaid out of the proceeds of the assessments provided for in this Resolution.

BOUNDARIES OF THE DISTRICT

- SECTION 8. Said contemplated maintenance work is, in the opinion of this City Council, of direct benefit to the properties within the boundaries of the Assessment District, and this City Council makes the costs and expenses of said maintenance chargeable upon a district, which district said City Council declares to be the district benefited by said improvement and maintenance, and to be further assessed to pay the costs and expenses thereof. Said Assessment District, shall include each and every parcel of land within the boundaries of said Assessment District, as said Assessment District is shown on a map as approved by this City Council and on file in the Office of the City Clerk, and designated by the name of the Assessment District.

PUBLIC HEARING

- SECTION 9. NOTICE IS HEREBY GIVEN THAT THURSDAY, THE 23rd DAY OF JULY, 2020 AT THE HOUR OF 6:00 O'CLOCK P.M., IN THE REGULAR MEETING OF THE CITY COUNCIL, BEING THE COUNCIL CHAMBERS, IS THE TIME AND PLACE FIXED BY THIS CITY COUNCIL FOR THE HEARING OF PROTESTS OR OBJECTIONS IN REFERENCE TO THE ANNUAL LEVY OF ASSESSMENTS, TO THE EXTENT OF THE MAINTENANCE, AND ANY OTHER MATTERS CONTAINED IN THIS RESOLUTION, ANY PERSONS WHO WISH TO OBJECT TO THE PROCEEDINGS FOR THE ANNUAL LEVY SHOULD FILE A WRITTEN PROTEST WITH THE CITY CLERK PRIOR TO THE TIME SET AND SCHEDULED FOR SAID PUBLIC HEARING.

NOTICE

- SECTION 10. That the City Clerk is hereby authorized and directed to publish a copy of this Resolution. Said publication shall be not less than ten (10) days before the date for said Public Hearing.

EFFECTIVE DATE

- SECTION 11. That this Resolution shall take effect immediately upon its adoption.

PROCEEDINGS INQUIRIES

SECTION 12. For any and all information relating to the proceedings, protest procedure, any documentation and/or information of a procedural or technical nature, your attention is directed to the below listed person at the local agency or department so designated:

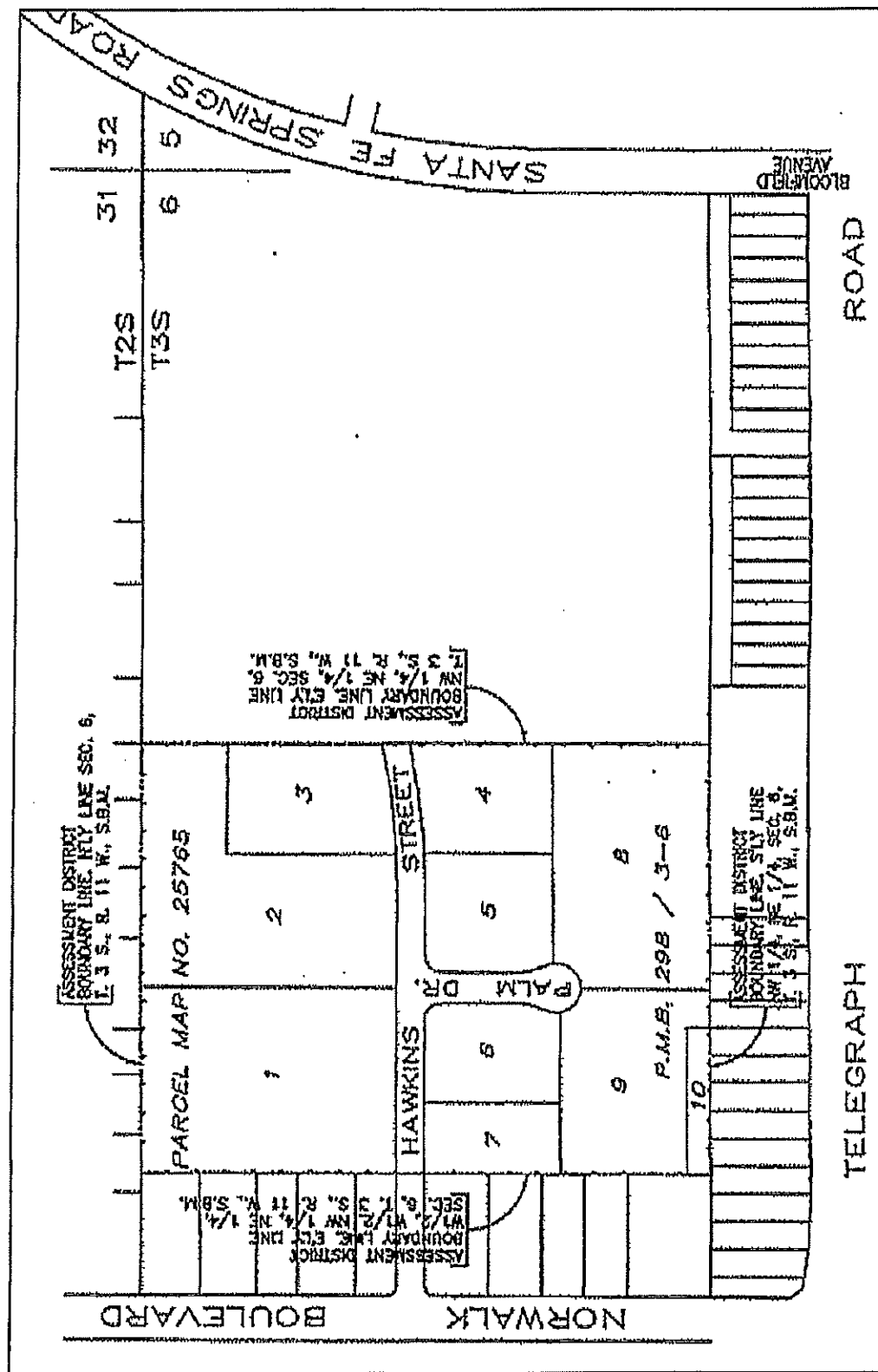
Noe Negrete
City Engineer
CITY OF SANTA FE SPRINGS
11710 Telegraph Road
Santa Fe Springs, CA 90670
(562) 868-0511

APPROVED and ADOPTED this 25th day of June, 2020.

, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk





City of Santa Fe Springs

City Council Meeting

ITEM NO. 8E

June 25, 2020

CONSENT AGENDA

Approval of Parcel Map No. 82732 - located at 13900 Carmenita Road

RECOMMENDATION\

- Approve Parcel Map No. 82732;
- Find that Parcel Map No. 82732 together with the provisions for its design and improvement, is consistent with the City's General Plan; and
- Authorize the City Engineer and City Clerk to sign Parcel Map No. 82732.

BACKGROUND

The Planning Commission, at its regular meeting on November 19, 2019 approved Tentative Parcel Map No. 82732 which include the consolidation of two (2) parcels (APN: 8059-004-031 & 054), into one parcel. Assessor Parcel Number: 8059-004-031 & 054 measuring 286,127 sq. ft. (6.57 acres), and located on the east side of Carmenita Road north of Rosecrans Avenue. The property is zoned M-2 (Heavy Manufacturing) and is currently developed with $\pm 102,000$ sq. ft. industrial building and a $\pm 5,500$ sq. ft. office building that was previously occupied by a chemical storage and distribution facility (Univar Solutions). Industrial uses are located to the north, south, east, and west of the property.

The applicant, Bridge Development Partners, is proposing to construct a new $\pm 150,548$ sq. ft. concrete tilt-up industrial building on the subject property. In accordance with the City's Zoning Regulations, a Development Plan Approval is required for the construction of a new building.

A Parcel Map is required for the consolidation of the existing parcels into one parcel. Approval of the proposed parcel map would provide the applicant with the ability to develop and/or sell the property as one parcel. A full-sized copy of the parcel map is available in the office of the City Clerk.


Raymond R. Cruz
City Manager


Attachments:

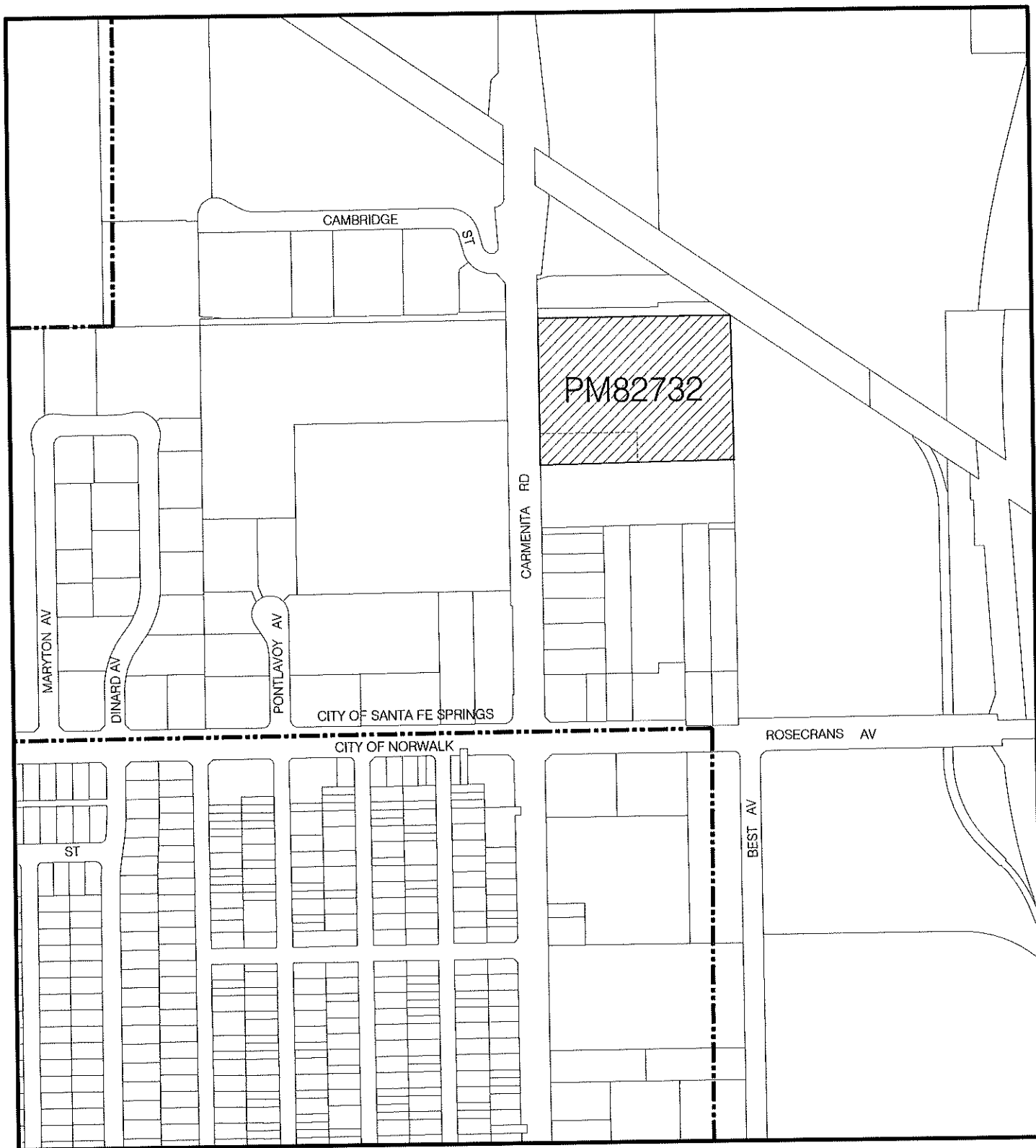
Attachment No. 1: Location Map

Attachment No. 2: Planning Commission Report

Report Submitted By:

Noe Negrete
Director of Public Works

 Date of Report: June 18, 2020



LOCATION MAP

PARCEL MAP NO. 82732 - DPA967

13900 CARMENITA ROAD



City of Santa Fe Springs

Adjourned Planning Commission Meeting

November 19, 2019

PUBLIC HEARING

Adoption of Mitigated Negative Declaration

Tentative Parcel Map (TPM) Case No. 82732

Development Plan Approval (DPA) Case No. 967

TPM Case No. 82732: A request for approval to allow the consolidation of two (2) existing parcels that make up the subject property (APN: 8059-004-031 & 054), into a single parcel measuring ± 6.57 acres;

DPA Case No. 967: A request for approval to allow the construction of a new $\pm 150,548$ sq. ft. concrete tilt-up industrial building;

The project site is located at 13900 Carmenita Road, within the M-2, Heavy Manufacturing, Zone. (Bridge Acquisitions, LLC)

RECOMMENDATIONS:

- Open the Public Hearing and receive any comments from the public regarding Tentative Parcel Map Case No. 82732; Development Plan Approval Case No. 967; and related Environmental Documents, thereafter, close the Public Hearing; and
- Find and determine that the proposed project will not be detrimental to persons or properties in the surrounding area or to the City in general, and will be in conformance with the overall purpose and objective of the Zoning Regulations and consistent with the goals, policies and program of the City's General Plan; and
- Find that the applicant's TPM request meets all criteria as set forth in the State's Subdivision Map Act, for granting a Tentative or Final Parcel Map; and
- Find that the applicant's DPA request meets the criteria set forth in §155.739 of the City's Zoning Regulations, for the granting of a Development Plan Approval; and
- Approve and adopt the proposed Mitigated Negative Declaration and accompanying Mitigation Monitoring and Reporting Program (MMRP) which, based on the findings of the Initial Study, indicates that there is no substantial evidence that the proposed project will have a significant adverse effect on the environment; and
- Approve Tentative Parcel Map Case No. 82732 and Development Plan Approval Case No. 967, subject to the conditions of approval as contained within Resolution No. 145-2019; and
- Adopt Resolution No. 145-2019, which incorporates the Planning Commission's findings and actions regarding this matter.

GENERAL INFORMATION

- A. Applicant: Bridge Acquisitions, LLC
1600 E. Franklin Ave., Suite D
El Segundo, CA 90245
- B. Property Owner: Univar USA Incorporated
13900 Carmenita Road
Santa Fe Springs, CA 90670
- C. Location of Proposal: 13900 Carmenita Road
Santa Fe Springs, CA 90670
- D. Existing Zone: M-2 (Heavy Manufacturing)
- E. General Plan: Industrial
- F. CEQA Status: Mitigated Negative Declaration
- G. Hearing Date: November 19, 2019
- H. Staff Contact: Vince Velasco, Planning Consultant
vincevelasco@santafesprings.org

LOCATION / BACKGROUND

The subject property, located at 13900 Carmenita Road, is comprised of two (2) parcels (APN's: 8059-004-031 & 054) measuring 286,127 sq. ft. (6.57 acres), and located on the east side of Carmenita Road. The property is zoned M-2 (Heavy Manufacturing) and is currently developed with a ±102,000 sq. ft. industrial building and a ±5,500 sq. ft. office building that was previously occupied by a chemical storage and distribution facility. Industrial uses are located on all sides of the property.

At their meeting on May 27, 1997, the Planning Commission approved Conditional Use Permit Case No.543 to allow the operation and maintenance of a chemical bulk storage and distribution facility at the subject property. Chemcentral Corporation was once an international distributor of chemicals, specializing in the distribution of solvents, coatings, printing inks, rubber, and plastic compounding chemicals and adhesives. Activities that would occur through this operation included: railcar loading/offloading, underground and aboveground tank farm storage, aboveground portable container storage, chemical mixing and packaging, and related administrative offices. In 2007, Chemcentral Corporation was acquired by Univar USA Incorporated. For the past 12 years, Univar has continued to operate and maintain the existing chemical storage and distribution facility. Univar is currently in

the process of selling the subject property to Bridge Acquisitions, LLC and intends to partner with the buyer to demolish the existing structures and remediate contaminated soils.

The applicant, Bridge Acquisitions, LLC, is proposing to construct a new ±150,548 sq. ft. concrete tilt-up industrial building on the subject property. In accordance with the City's Zoning Regulations, a Development Plan Approval is required for the construction of a new building. It should be noted that the applicant is concurrently requesting consideration and approval for a Tentative Parcel Map to allow the consolidation of two (2) existing parcels (APN: 8059-004-031 & 054) that make up the subject property, into one parcel.

PROJECT DESCRIPTION

The proposed project requires approval of the following entitlements:

Tentative Parcel Map (TPM 82732) – A request for approval to allow the consolidation of two (2) existing parcels that make up the subject property (APN: 8059-004-031 & 054), into a single parcel measuring ±6.57 acres;

Development Plan Approval (DPA 967) – A request for approval to allow the construction of a new ±150,548 sq. ft. concrete tilt-up industrial building at 13900 Carmenita Road;

TENTATIVE PARCEL MAP CASE NO. 82732

The proposed Tentative Parcel Map will effectively consolidate the two (2) parcels that currently make-up the subject site. As shown in the attached plans, the Tentative Parcel Map will involve the removal of an existing common property line for Parcels 1 and 2 (APN's: 8059-004-031 & 054), resulting in a single parcel measuring ±6.57 acres.

Existing:

Parcel "1" –	255,437 sq. ft. (approx. 5.86 acres)
Parcel "2" –	<u>30,690 sq. ft. (approx. 0.71 acres)</u>
	286,127 sq. ft. (approx. 6.57 acres)

Proposed:

Parcel "A" –	286,127 sq. ft. (approx.. 6.57 acres)
--------------	---------------------------------------

DEVELOPMENT PLAN APPROVAL CASE NO. 967

Site Plan

The applicant is proposing to construct a new ±150,548 sq. ft. concrete tilt-up industrial building at 13900 Carmenita Road (APN: 8059-004-031 & 054). The proposed industrial building will be setback a minimum 41' from the front property

line along Carmenita Road. The proposed development will provide two (2) driveways along Carmenita Road for ingress and egress: a 30' wide driveway to the north and a 40' wide driveway to the south. Parking for the subject property is evenly distributed along all four sides of the proposed building.

Floor Plan

The floor plan indicates that the proposed industrial building will measure $\pm 150,548$ sq. ft., with 5,000 sq. ft. designated as first floor office area, 5,000 sq. ft. designated as office mezzanine, and remaining 140,548 sq. ft. designated for warehouse/manufacturing use.

Elevations

The elevations indicate that the proposed industrial building will have a contemporary design. The main entry and office area (west elevation) is provided with extensive glazing, color variation, pop-outs, height variation, and material used. The remaining elevations have been provided with a combination of the aforementioned architectural treatments, which results in an aesthetically pleasing building.

Landscape Requirement

For maximum value, the majority of the landscaping will be provided along the front setback areas that adjoins Carmenita Road. Additionally, as required by the Code, the applicant will landscape at least 6% of the parking area. The minimum landscape requirement for the project, based on the overall street frontage of 462' and 121,376 sq. ft. of parking area is 18,833 sq. ft. According to the conceptual landscape plan, the applicant will be providing an overall total of 28,489 sq. ft. of landscaping throughout the site. The project, therefore, exceeds the minimum requirement set forth in the City's Zoning Regulation.

Parking Requirements

A total of 198 parking stalls will be provided for the new building: 120 standard stalls, 49 compact stalls, 16 clean air stalls, 5 electric vehicle stalls, and 8 accessible stalls. As proposed, the project is required to provide a total of 198 parking stalls.

- 1 stall per 500 sq. ft. for the first 20,000 sq. ft. = 40 stalls, 1 stall per 750 sq. ft. for the next 80,000 sq. ft. = 107 stalls, and 1 stall per 1000 sq. ft. for the remaining 50,548 sq. ft. = 51 stalls.

The proposed project, therefore, meets the minimum parking requirements set forth by the City's Zoning Regulations.

Loading/ Roll Up Doors

According to the site plan, the proposed building will have a total of seventeen (17) loading doors, including one (1) grade level door and sixteen (16) dock high doors, along the south elevation. All loading doors are strategically placed so that they will not be directly visible from Carmenita Road. Additionally, the applicant will provide a 14' high decorative block wall to provide additional screening for on-site truck activities.

Per the City's Zoning Regulations, all off-street truck loading areas, zones, ramps, doors, wells, or docks shall be designed to provide and maintain a minimum unobstructed area of 120' to allow for proper truck maneuvering on-site. According to the site plan, the proposed project will provide the required unobstructed area in all necessary locations.

Trash Enclosures

According to the site plan, an 8' high (381 sq. ft.) trash enclosure will be located along the northerly property line. The proposed trash enclosure is strategically placed behind the proposed 14' high screen wall and thus will not be visible or accessible to the public.

STREETS AND HIGHWAYS

The subject site is located on the west side of Carmenita Road. Carmenita Road is designated as a "Major Arterial", within the Circulation Element of the City's General Plan.

ZONING AND LAND USE

The subject property is zoned M-2 (Heavy Manufacturing). The property has a General Plan Land Use designation of Industrial. The zoning, General Plan and land use of the surrounding properties are as follows:

Surrounding Zoning, General Plan Designation, Land Use			
Direction	Zoning District	General Plan	Land Use (Address/Business Name)
North	M-2, Heavy Manufacturing, Zone	Industrial	<u>Industrial Waste Transportation</u> (13722 Carmenita Rd/ACT Enviro)
South	M-2, Heavy Manufacturing, Zone	Industrial	<u>Manufacturing</u> (13926 Carmenita Rd/Durable Superior Casters)
East	M-2, Heavy Manufacturing, Zone	Industrial	<u>Manufacturing/Distribution</u> (13535 Rosecrans Ave/Huff Lumber Co.)
West	M-2, Heavy Manufacturing, Zone	Industrial	<u>Manufacturing</u> (13827 Carmenita Rd/EverRoof)

LEGAL NOTICE OF PUBLIC HEARING

This matter was set for Public Hearing in accordance with the requirements of Sections 65090 and 65091 of the State Planning, Zoning and Development Laws and the requirements of Sections 155.860 through 155.864 of the City's Municipal Code.

Legal notice of the Public Hearing for the proposed project was sent by first class mail to all property owners whose names and addresses appear on the latest County Assessor's Roll within 500 feet of the exterior boundaries of the subject property on November 7, 2019. The legal notice was also posted in Santa Fe Springs City Hall, the City Library and the City's Town Center kiosk on November 7, 2019, and published in a newspaper of general circulation (Whittier Daily News) November 7, 2019, as required by the State Zoning and Development Laws and by the City's Zoning Regulations. As of the date of this report, staff has not received any comments and/or inquiries regarding the proposed project.

ZONING REQUIREMENTS

The procedures set forth in Section 155.736 of the Zoning Regulations, states that a DPA is required for the siting of new structures or additions or alterations to existing structures.

Code Section:	Development Plan Approval
155.736	<u>Section 155.736</u> The purpose of the development plan approval is to assure compliance with the provisions of this chapter and to give proper attention to the siting of new structures or additions or alterations to existing structures, particularly in regard to unsightly and undesirable appearance, which would have an adverse effect on surrounding properties and the community in general.

ENVIRONMENTAL DOCUMENTS

The environmental analysis provided in the Initial Study indicates that the proposed project will not result in any significant adverse immitigable impacts on the environment, therefore, the City caused to be prepared and proposed to adopt a Mitigated Negative Declaration (MND) for the proposed project. The MND reflects the independent judgment of the City of Santa Fe Springs, and the environmental consultant, Blodgett/Baylosis Environmental Planning.

Phases in the Environmental Review Process:

The implementation of the California Environmental Quality Act (CEQA) entails three separate phases:

1. The first phase consists of preliminary review of a project to determine whether it is subject to CEQA
2. If the project is subject to CEQA, the second phase involves the preparation of an Initial Study to determine whether the project may have a significant environment effect.
3. The third phase involves the preparation of an Environmental Impact Report (EIR) if the project may have a significant environmental effect of a Negative Declaration or Mitigated Declaration if no significant effects will occur.

Phase 1: The first phase is to determine if the proposed project is subject to CEQA. CEQA applies to an activity that (a) involves the exercise of an agency's discretionary powers, (b) has the potential to result in a direct or reasonable foreseeable indirect physical change in the environment, and (c) falls within the definition of a "project" as defined in CEQA Guidelines Section 15378. City Staff and Blodgett/Baylosis Environmental Planning reviewed the proposal and determined that the project is subject to CEQA

Phase 2: The second phase involves the preparation of an Initial Study. An Initial Study is a preliminary analysis to determine whether an EIR or a Negative Declaration or Mitigated Negative Declaration is needed. If the Initial Study concludes that the proposed project may have a significant effect on the environment that cannot be mitigated, an EIR should be prepared. If no potentially significant impacts are identified, then a Negative Declaration can be prepared. If potentially significant impacts are identified that can be mitigated, then a Mitigated Negative Declaration can be prepared with mitigated measures conditioned as part of the project's approval to reduce potentially significant impacts to levels of insignificance. To facilitate the Commission's determination whether "effects" are potentially significant, the Commission should focus on scientific and factual data. Unfortunately, CEQA does not provide a definitive definition of what constitutes a "significant effect" as a substantial or potentially substantial adverse change in the physical environment. City Staff and Blodgett/Baylosis Environmental Planning determined, through the preparation of the Initial Study, that there were no potentially significant environmental effect that could not be mitigated to a level of insignificance and, therefore, a Mitigated Negative Declaration was prepared.

Phase 3: A Mitigated Negative Declaration is a written statement, briefly explaining why a proposed project will not have a significant environmental effect and includes a copy of the Initial Study justifying this finding. Included within the Initial Study are mitigation measures to avoid potentially significant effects. City Staff and Blodgett/Baylosis Environmental Planning determined that, although, the proposed

project could have a significant effect on the environment, revisions in the project have been made by or agreed to by the project applicant or mitigation measures are being implemented to reduce all potentially significant effects to levels of insignificance. As a result, a Mitigated Negative Declaration was prepared for the project.

Draft MND Review:

The Draft Initial Study/Mitigated Negative Declaration reflects the independent judgment of the City of Santa Fe Springs and the environmental consultant, Blodgett/Baylosis Environmental Planning, as to the potential environmental impacts of the proposed project on the environment. The Draft Initial Study/Mitigated Negative Declaration was circulated for the required 20-day public review and comments from October 29, 2019 to November 18, 2019. The Notice of Intent to adopt a Mitigated Negative Declaration was posted with the Los Angeles County Clerk. A copy of the Initial Study/Mitigated Negative Declaration was also mailed to all responsible and trustee agencies as well as surrounding cities for their review and comment.

On October 29, 2019, the City released the Draft IS/MND, along with the accompanying Traffic Study. These materials were made available to the public throughout the 20-day review and comment period. The public comment period for the Draft IS/MND ended November 18, 2019 and, to date, no comments were received. All materials were made available for review at the following locations:

- Planning Department Counter - City Hall (11710 Telegraph Road)
- The City of Santa Fe Springs Library
- Los Angeles County Recorder's Office
- On the City's Website:
https://www.santafesprings.org/cityhall/planning/planning/environmental_documents.asp

When reviewing the Mitigated Negative Declaration/Initial Study, the focus of the review should be on the project's potential environmental effects. If persons believe that the project may have a significant effect, they should, (a) Identify the specific effect; (b) Explain why they believe the effect would occur, and; (c) Explain why they believe the effect would be significant.

Individuals who believe there are significant effects as outlined above, should also explain the basis for their comments and submit data or reference offering facts, reasonable assumptions based on facts or expert opinion supported by facts in support of the comments. Pursuant to CEQA Guidelines, an effect shall not be considered significant in the absence of substantial evidence.

Potentially Affected Environmental Factors:

The draft Initial Study/Mitigated Negative Declaration has identified several factors that may be potentially affected by the subject project which include: *Geology & Soils, Hazardous & Hazardous Materials, and Tribal Cultural Resources*. These factors and their respective pertinent issues are discussed and analyzed within the Initial Study/Mitigated Negative Declaration. Mitigations, where necessary, were implemented to help ensure potential impacts are reduced to a less than significant level. A detailed analysis can be found in the Initial Study/Mitigated Negative Declaration and corresponding Mitigated Monitoring and Reporting Program.

Mitigation Monitoring:

The monitoring and reporting on the implementation of these measures, including the monitoring action, monitoring agency, and the period for implementation, are identified in the Mitigation Monitoring and Reporting Program (attachment #4).

AUTHORITY OF PLANNING COMMISSION**Tentative Parcel Map**

The Planning Commission, after receiving and hearing the results of investigations and reports on the design and improvements of any proposed division of real property for which a tentative map is filed, shall have the authority to impose requirements and conditions upon such division of land and to approve, conditionally approve or disapprove such map and division of land.

Development Plan Approval

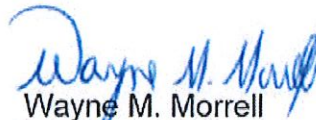
The Planning Commission has the authority, subject to the procedures set forth in the City's Zoning Regulations, to grant a Development Plan Approval when it has been found that said approval is consistent with the requirements, intent and purpose of the City's Zoning Regulations. The Commission may grant, conditionally grant or deny approval of a proposed development plan based on the evidence submitted and upon its own study and knowledge of the circumstances involved, or it may require submission of a revised development plan.

STAFF REMARKS

Based on the findings set forth in the attached Resolution (145-2019), Staff finds that the applicant's request meets the criteria set forth in §155.739 of the City's Zoning Regulations, for the granting of a Development Plan Approval. Staff also finds that the applicants request meets the criteria set forth in the State's Subdivision Map Act, for the granting of Tentative Parcel Map Case No. 82732.

CONDITIONS OF APPROVAL

Conditions of approval for TPM 82732 and DPA 967 are attached to Resolution 145-2019 as Exhibit A.


Wayne M. Morrell
Director of Planning

Attachments:

1. Aerial Photograph
2. Public Hearing Notice
3. Radius Map for Public Hearing Notice
4. Draft Mitigated Negative Declaration & Mitigation Monitoring and Reporting Program (MMRP) (previously delivered to PC on 11/08/2019)
5. Resolution 145-2019
 - a. Exhibit A – Conditions of Approval
6. Full Set of Proposed Plans

Aerial Photograph



CITY OF SANTA FE SPRINGS



AERIAL PHOTOGRAPH

TENTATIVE PARCEL MAP NO. 82732 &
DEVELOPMENT PLAN APPROVAL CASE NO. 967



13900 Carmenita Road
(Applicant: Bridge Acquisitions, LLC)

Public Hearing Notice

FILE COPY



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**CITY OF SANTA FE SPRINGS
NOTICE OF PUBLIC HEARING
TENTATIVE PARCEL MAP CASE NO. 82732 &
DEVELOPMENT PLAN APPROVAL CASE NO. 967**

NOTICE IS HEREBY GIVEN: that a Public Hearing will be held before the City of Santa Fe Springs Planning Commission for the following:

TENTATIVE PARCEL MAP CASE NO. 82732: A request for approval to allow the consolidation of two (2) existing parcels that make up the subject property (APN: 8059-004-031 & 054), into a single parcel measuring ±6.57 acres;

DEVELOPMENT PLAN APPROVAL CASE NO. 967: A request for approval to allow the construction of a new ±150,648 sq. ft. concrete tilt-up industrial building at 13900 Carmenita Road.

APPLICANT / PROJECT LOCATION: Bridge Development Partners/ 13900 Carmenita Road (APN: 8059-004-031 & 054)

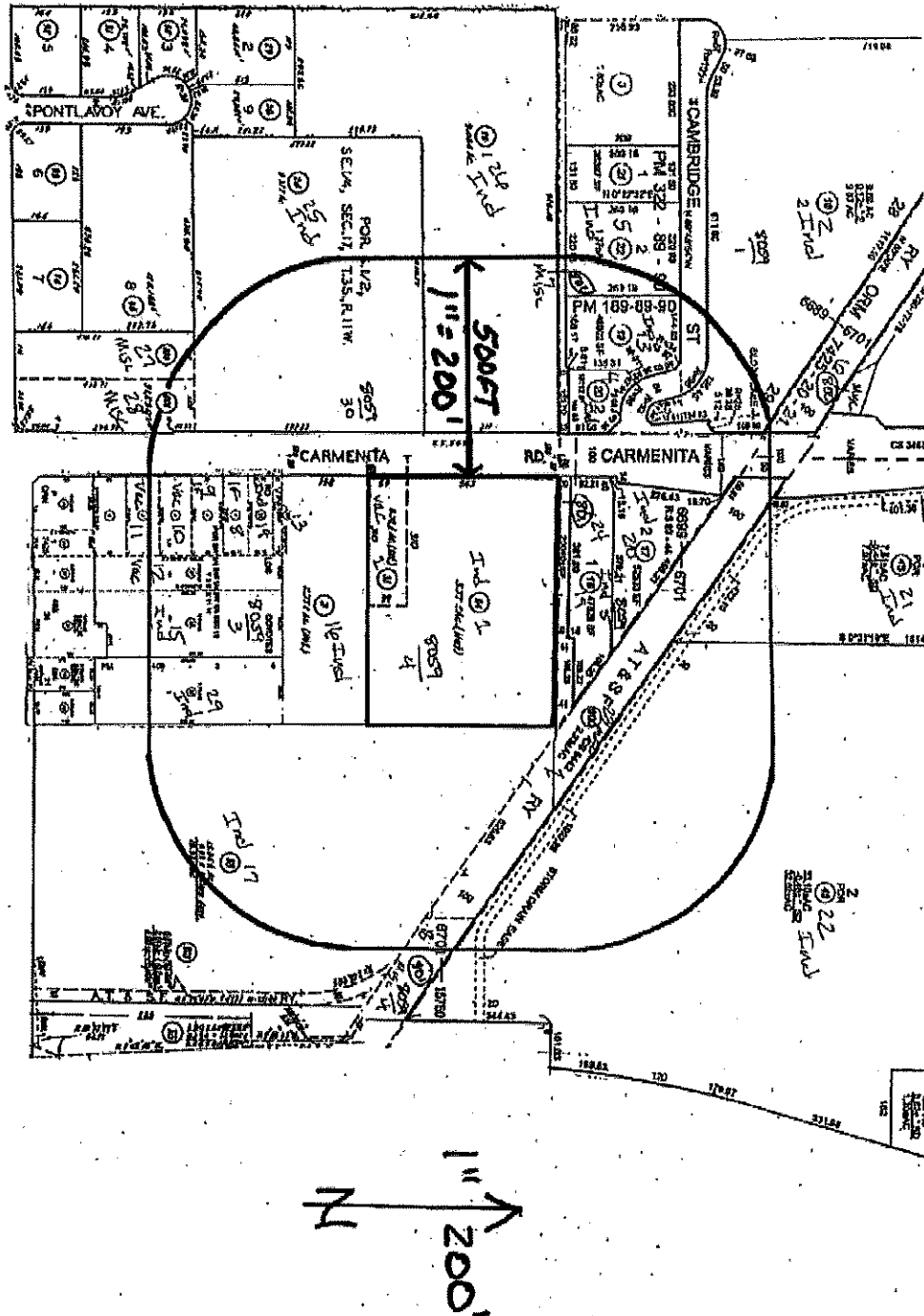
CEQA STATUS: Upon review of the proposed project, staff has determined that additional environmental analysis is required to meet the requirements of the California Environmental Quality Act (CEQA). The applicant has since retained Marc Blodgett of Blodgett and Associates, and Crown City Engineers to prepare the necessary CEQA documents and associated Traffic Study. The draft CEQA documents are finalized and an NOI (Notice of Intent) to adopt the Mitigated Negative Declaration was posted in the LA County Recorder's Office to initiate the mandatory 20-day public review period on October 29, 2019. Additionally, the project site is not listed on the Hazardous Waste and Substance Site List (Cortese List) as set forth in Government Code Section 65962.6.

THE HEARING will be held before the Planning Commission of the City of Santa Fe Springs in the Council Chambers of the City Hall, 11710 Telegraph Road, Santa Fe Springs, on Tuesday, November 19, 2019 at 6:00 p.m.

ALL INTERESTED PERSONS are invited to attend the Public Hearing before Planning Commission and express their opinion on the subject items listed above. You should note that if you challenge the afore-mentioned Development Plan Approval in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the office of the Commission at, or prior to, the Public Hearing.

Lamita Fajille, Mayor • William K. Roushi, Mayor Pro-Tem
City Council
John M. Mora • Annette Rodriguez • Joe Angel Zaccaro
City Manager
Raymond R. Cruz

Radius Map for Public Hearing Notice



CITY OF SANTA FE SPRINGS
RESOLUTION NO. 145-2019

**A RESOLUTION OF THE PLANNING COMMISSION OF
THE CITY OF SANTA FE SPRINGS REGARDING
TENTATIVE PARCEL MAP CASE NO. 82732 &
DEVELOPMENT PLAN APPROVAL CASE NO. 967**

WHEREAS, a request was filed for Tentative Parcel Map Case No. 82732 to allow the consolidation of two (2) existing parcels that make up the subject property (APN: 8059-004-031 & 054), into a single parcel measuring ± 6.57 -acres; and

WHEREAS, a request was concurrently filed for Development Plan Approval Case No. 967 to allow the construction of a new $\pm 150,548$ sq. ft. concrete tilt-up industrial building; and

WHEREAS, the subject property is located on the east side of Carmenita Road, with Assessor's Parcel Numbers of 8059-004-031 & 8059-004-054, as shown in the latest rolls of the Los Angeles County Office of the Assessor; and

WHEREAS, the property owner is Bridge Acquisitions, LLC, 1600 E. Franklin Ave., Suite D, El Segundo, CA 90245; and

WHEREAS, the proposed development which includes Tentative Parcel Map Case No. 82732 and Development Plan Approval Case No. 967 is considered a project as defined by the California Environmental Quality Act (CEQA), Article 20, Section 15378(a); and

WHEREAS, the City of Santa Fe Springs Planning and Development Department on November 7, 2019 published a legal notice in the *Whitter Daily News*, a local paper of general circulation, indicating the date and time of the public hearing, and also mailed said public hearing notice on November 7, 2019 to each property owner within a 500 foot radius of the project site in accordance with state law; and

WHEREAS, the City of Santa Fe Springs Planning Commission has considered the application, the written and oral staff report, the General Plan and zoning of the subject property, the public testimony, written comments, or other materials presented at the Adjourned Planning Commission Meeting on November 19, 2019 concerning the environmental findings and determination, Tentative Parcel Map Case No. 82732 and Development Plan Approval Case No. 967.

NOW, THEREFORE, be it RESOLVED that the PLANNING COMMISSION of the CITY OF SANTA FE SPRINGS does hereby RESOLVE, DETERMINE and ORDER AS FOLLOWS:

SECTION I. ENVIRONMENTAL FINDINGS AND DETERMINATION

The proposed development is considered a project under the California Environmental Quality Act (CEQA) and as a result, the project is subject to the City's environmental review process. The environmental analysis provided in the Initial Study indicated that the proposed project will not result in any significant adverse immitigable impacts to the environment, therefore, the City required the preparation and adoption of a Mitigated Negative Declaration (MND) for the proposed Project. The MND reflects the independent judgment of the City of Santa Fe Springs, and the City's environmental consultant, Blodgett/Baylosis Environmental Planning.

The Initial Study determined that the proposed project is not expected to have any significant adverse environmental impacts that cannot be mitigated. The following findings can be made regarding the Mandatory Findings of Significance set forth in Section 15065 of the CEQA Guidelines based on the results of this Initial Study:

- The proposed project *will not* have the potential to degrade the quality of the environment.
- The proposed project *will not* have the potential to achieve short-term goals to the disadvantage of long-term environmental goals.
- The proposed project *will not* have impacts that are individually limited, but cumulatively considerable, when considering planned or proposed development in the immediate vicinity.
- The proposed project *will not* have environmental effects that will adversely affect humans, either directly or indirectly.

In addition, pursuant to Section 21081(a) of the Public Resources Code, findings must be adopted by the decision-maker coincidental to the approval of a Mitigated Negative Declaration, which relates to the Mitigation Monitoring and Reporting Program. These findings shall be incorporated as part of the decision-maker's findings of fact, in response to AB-3180 and in compliance with the requirements of the Public Resources Code. In accordance with the requirements of Section 21081(a) and 21081.6 of the Public Resources Code, the City of Santa Fe Springs can make the following additional findings:

- A mitigation reporting or monitoring program will be required.
- Site plans and/or building plans, submitted for approval by the responsible monitoring agency, shall include the required standard conditions.
- An accountable enforcement agency or monitoring agency shall be identified for the mitigation measures adopted as part of the decision-maker's final determination.

A number of mitigation measures have been recommended as a means to reduce or eliminate potential adverse environmental impacts to insignificant levels. AB-3180 requires that a monitoring and reporting program be adopted for the recommended mitigation measures.

SECTION II. TENTATIVE PARCEL MAP FINDINGS

Pursuant to the State's Subdivision Map Act, the Planning Commission has made the following findings:

- (A) Section 66473.5 and Sections 66474(a) and (b) of the Subdivision Map Act require tentative maps to be consistent with the general plan and specific plans. The proposed Tentative Parcel Map, subject to the attached conditions, is in accordance with the Subdivision Map Act in that:

Approval of the proposed Parcel Map would promote a number of Specific General Plan Goal and Policies as described in "Table 1" below:

Table 1
General Plan Consistency Analysis

General Plan Element	Policy	Project Consistency
Land Use	Goal 9: Provide for growth and diversification of industry and industrial related activities within the Santa Fe Springs Industrial area.	The consolidation of the individual parcels will produce one lot that will provide a more viable development opportunity of the subject site.
	Policy 9.4: Encourage the grouping of adjoining small or odd shaped parcels in order to create more viable development.	The project involves the consolidation of two (2) existing parcels that make up the subject property (APN: 8059-004-031 & 054), into a single parcel measuring ±6.57-acres.
	Goal 11: Support and encourage the viability of the industrial and commercial areas of Santa Fe Springs.	The consolidation of the existing parcels will support and facilitate the development of a new ±150,548 sq. ft. concrete tilt-up industrial building.

The proposed parcel map, subject to the attached conditions, is compatible with the goals and objectives of the City of Santa Fe Spring's General Plan, and therefore, is in compliance with Government Code Sections 66473.5, and 66474(a) and (b).

- (B) Sections 66474(c) and (d) of the Subdivision Map Act require the site to be physically suitable for the type of development and proposed density of development.

In addition to the proposed parcel map, the applicant is concurrently seeking approval to allow for the construction of a new ±150,548 sq. ft. concrete tilt-up industrial buildings, located along the east side of Carmenita Road. As proposed, the new

development will meet or exceed all requirements of the City's Zoning Regulations and as a result will not require any variances. Therefore, the subject site is physically suitable for the proposed development.

- (C) Sections 66474(e) and (f) of the Subdivision Map Act require that the design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat or is likely to cause serious public health concerns.

The proposed consolidation is located in an urbanized area that does not contain habitats or would otherwise injure fish and wildlife. Additionally, as required by the California Environmental Quality Act (CEQA), an Initial Study (IS)/Mitigated Negative Declaration (MND) was prepared for the proposed industrial project. According to the IS/MND, the project is not expected to have any impacts on biological resources or cause serious public health problems.

- (D) Section 66474(g) of the Subdivision Map Act requires that the design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.

New easements for utility or roadways, if necessary, will be provided prior to final map approval. Moreover, no public easements are anticipated within the proposed subdivision.

- (E) In accordance with Government Code Section 66474.6, it has been determined that the discharge of waste from the proposed subdivision, subject to the attached conditions, into the existing sewer system will not result in a violation of the requirements prescribed by the Regional Water Quality Control Board in that the developer is required to comply with the IS/MND Mitigation Monitoring and Reporting Program, submit an erosion control plan and comply with the NPDES Best Management Practices during the grading and construction phases of the project.

The project is conditioned to meet all federal, state, and local ordinances and requirements including, but not limited to, the California Regional Water Quality Control Board.

- (F) That the proposed subdivision shall be in accordance with Government Code Section 66473.1, entitled "Design of Subdivisions to provide for Future Passive or Natural Heating and Cooling Opportunities."

Future Passive or Natural Heating and Cooling Opportunities will be incorporated with the proposed development. To the extent feasible, staff will review the proposed development to ensure that energy-saving devices or materials, including, but not

limited to, insulation, double-pane windows, and high efficiency central heating and cooling systems will be incorporated.

SECTION III. DEVELOPMENT PLAN APPROVAL FINDINGS

Pursuant to Section 155.739 of the City of Santa Fe Springs Zoning Regulations, the Planning Commission has made the following findings:

(A) *That the proposed development is in conformance with the overall objectives of this chapter.*

The proposed project is located within the M-2, Heavy Manufacturing, Zone. Pursuant to Section 155.240 of the Zoning Regulations, "The purpose of the M-2 Zone is to preserve the lands of the city appropriate for heavy industrial uses, to protect these lands from intrusion by dwellings and inharmonious commercial uses, to promote uniform and orderly industrial development, to create and protect property values, to foster an efficient, wholesome and aesthetically pleasant industrial district, to attract and encourage the location of desirable industrial plants, to provide an industrial environment which will be conducive to good employee relations and pride on the part of all citizens of the community and to provide proper safeguards and appropriate transition for surrounding land uses."

The proposed project is consistent with the purpose of the M-2 Zone in the following manner:

1. The land is appropriate for industrial uses based on its zoning, M-2, Heavy Manufacturing and its General Plan Land Use designation of Industrial.
2. The proposed project will result in a new concrete tilt-up speculative industrial building, therefore the land is being maintained for industrial uses.
3. The project involves the construction of a new attractive industrial building on a site that is currently developed with an outdated building that was constructed in 1959, approximately 60 years ago. The assessed value of the property will significantly improve after the project, thus leading to an increase in property values for both the subject property and neighboring properties.
4. The new building offers new construction with modern amenities (i.e. greater ceiling height, energy efficient, etc.) that will help to attract local industrial businesses to either locate or remain in Santa Fe Springs.

(B) *That the architectural design of the proposed structures is such that it will enhance the general appearance of the area and be in harmony with the intent of this chapter.*

The applicant is proposing to construct a new concrete-tilt up speculative industrial building on the existing site. The new concrete tilt-up industrial building has been designed with variation in the provided setback, height, color, and materials used.

The result is an attractive project with a contemporary building that is comparable to other high quality office/industrial projects in Santa Fe Springs.

- (C) That the proposed structures be considered on the basis of their suitability for their intended purpose and on the appropriate use of materials and on the principles of proportion and harmony of the various elements of the buildings or structures.

The proposed building is well-designed and should be highly suitable for a variety of office, manufacturing and/or warehouse-type users. The design of the new concrete tilt-up industrial building provides quality architectural design, as demonstrated by glazing, pop-outs, and variations in height, materials, and color. These architectural design elements break up the mass of the building, and present an attractive, distinctive façade to visitors. As designed, the new building is suitable for their intended users, and the distinctive design of the building represents the architectural principles of proportion and harmony.

- (D) That consideration be given to landscaping, fencing and other elements of the proposed development to ensure that the entire development is in harmony with the objectives of this chapter.

Extensive consideration has been given to numerous elements of the proposed project to achieve harmony with the City's Zoning Regulations. The majority of the landscaping will be provided along Carmenita Road for maximum aesthetic value. Additionally, the truck wells and dock doors have been strategically placed so that they will not be directly visible from the public right-of-way. Nevertheless, a 14' high screen wall with a 12' high gate will be provided to screen activities within the truck yard area. And lastly, the proposed trash enclosure has been strategically placed where they are not visible or easily accessible by the public, and where they have least impact on adjacent properties.

- (E) That it is not the intent of this subchapter to require any particular style or type of architecture other than that necessary to harmonize with the general area.

As stated previously, the proposed building is contemporary in design. The architect used glazing, pop-outs, and variations in height, materials, and color. The style and architecture of the proposed building is consistent with other high quality buildings that were recently constructed in the general area.

- (F) That it is not the intent of this subchapter to interfere with architectural design except to the extent necessary to achieve the overall objectives of this chapter.

Pursuant to Section 155.736 of the Zoning Regulations "The purpose of the development plan approval is to assure compliance with the provisions of this chapter and to give proper attention to the siting of new structures or additions or alterations to existing structures, particularly in regard to unsightly and undesirable appearance, which would have an adverse effect on surrounding properties and the community in general." As a result, the Planning Commission believes that proper attention has

been given to the location, size, and design of the proposed building.

SECTION IV. PLANNING COMMISSION ACTION

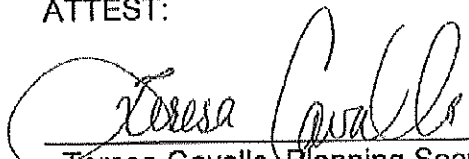
The Planning Commission hereby adopts Resolution No. 145-2019 to approve Tentative Parcel Map Case No. 82732 to allow the consolidation of two (2) existing parcels that make up the subject property (APN: 8059-004-031 & 054), into a single parcel measuring ± 6.57 -acres; Development Plan Approval Case No. 967 to allow the construction of a new $\pm 150,548$ sq. ft. concrete tilt-up industrial building; and also to approve and adopt the proposed Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (IS/MND/MMRP) for the subject property located at 13900 Carmenita Road, subject to conditions attached hereto as Exhibit A.

ADOPTED and APPROVED this 19th day of November, 2019 BY THE PLANNING COMMISSION OF THE CITY OF SANTA FE SPRINGS.



Ken Arnold, Vice Chairperson

ATTEST:



Teresa Cavallo, Planning Secretary

Exhibit A – Conditions of Approval

Tentative Parcel Map Case No. 82732

Development Plan Approval Case No. 967

13900 Carmenita Road (APNs: 8059-004-031 & 054)

CONDITIONS OF APPROVAL

ENGINEERING / PUBLIC WORKS DEPARTMENT:

(Contact: Robert Garcia 562.868-1511 x7545)

STREETS

1. That the applicant shall pay a flat fee of \$54,516.00 to reconstruct/resurface the existing street frontage to centerline for Carmenita Road.
2. The applicant shall pay \$5,000.00, the costs or a portion of the costs associated with the installation of an Emergency Vehicle Preemption System (OPTICOM) at the intersection of Cambridge Street and Carmenita Road as determined by the City Engineer and Fire Chief.
3. That the applicant shall design and construct a 5-foot wide meandering sidewalk per City standard "R-12", and dedicate an easement along the Carmenita Road street frontage. If applicable, the dedicated easement shall be shown on the Parcel/Tract Map. Furthermore, said meandering sidewalk shall be shown on both the civil and landscape plans.
4. All oil wells, pipelines, tanks, and related lines within the public right-of-way shall be removed from the right-of-way unless otherwise approved by the City Engineer.
5. That adequate "on-site" parking shall be provided per City requirements, and all streets abutting the development shall be posted "No Stopping Any Time." The City will install the offsite signs and the applicant shall pay \$800.00 to install (4) new signs.
6. That the applicant will pay to the City, \$ 15,000 per street light for the relocation(s) of all street lights in conflict with driveways or proposed improvements. The cost will include the entire cost of design, engineering, installation and inspection of street lights on Carmenita Road. The City will design and cause construction of said street light(s).
7. That common driveways shall not be allowed unless approved by the City Engineer. Proposed driveways shall be located to clear existing fire hydrants, street lights, water meters, etc.

8. The applicant and/or developer shall pay for the design, installation, and inspection of undergrounding overhead existing utilities that cross perpendicular to Carmenita Road serving the property.

CITY UTILITIES

9. Storm drains, catch basins, connector pipes, retention basin and appurtenances built for this project shall be constructed in accordance with City specifications in Carmenita Road. Storm drain plans shall be approved by the City Engineer.
10. Fire hydrants shall be installed as required by the Fire Department. Existing public fire hydrants adjacent to the site, if any, shall be upgraded if required by the City Engineer. That the applicant shall pay to the City the entire cost of design, engineering, installation and inspection of Fire hydrants.
11. That sanitary sewers shall be constructed in accordance with City specifications to serve the subject development. The plans for the sanitary sewers shall be approved by the City Engineer. A sewer study (including a sewer flow test) shall be submitted along with the sanitary sewer plans.
12. All buildings shall be connected to the sanitary sewers.
13. That the fire sprinkler plans, which show the proposed double-check valve detector assembly location, shall have a stamp approval from the Planning Department and Public Works Department prior to the Fire Department's review for approval. Disinfection, pressure and bacteriological testing on the line between the street and detector assembly shall be performed in the presence of personnel from the City Water Department. The valve on the water main line shall be operated only by the City and only upon the City's approval of the test results.
14. That the applicant shall obtain a Storm Drain Connection Permit for any connection to the storm drain system.
15. The applicant shall have an overall site utility master plan prepared by a Registered Civil Engineer showing proposed location of all public water mains, reclaimed water mains, sanitary sewers and storm drains. This plan shall be approved by the City Engineer prior to the preparation of any construction plans for the aforementioned improvements.

TRAFFIC

16. The applicant shall submit a traffic study prepared by a Professional Engineer. The traffic study shall show the present traffic in the area and projected traffic after the development of the property. Any improvements

or mitigation measures including installation of traffic signals and/or modifications, the installation of additional left turn lanes or deceleration lanes, the lengthening of left turn lanes or other median modifications, etc. that are warranted based on the study, the applicant and/or developer shall pay to the City the full cost of design engineering, installation and inspection of the improvements. The City will design and cause construction of the improvements.

17. That all point of access to the proposed development shall be reviewed and approved by the City Engineer. Left turns may be prohibited as designated by the City Engineer.

PARCEL MAPS

18. Final parcel map checking of \$4,970 plus \$295 per parcel shall be paid to the City. Developer shall comply with Los Angeles County's Digital Subdivision Ordinance (DSO) and submit final maps to the City and County in digital format.
19. The applicant shall provide at no cost to the City, one mylar print of the recorded parcel map from the County of Los Angeles Department of Public Works, P.O. Box 1460, Alhambra, CA 91802-1460, Attention: Bill Slenniken (626) 458-5131.

FEES

20. That the applicant shall comply with Congestion Management Program (CMP) requirements and provide mitigation of trips generated by the development. The applicant and/or developer will receive credit for the demolition of any buildings that formerly occupied the site. For new developments, the applicant and/or developer cannot meet the mitigation requirements, the applicant and/or developer shall pay a mitigation fee to be determined by the City Engineer for off-site transportation improvements.
21. That the applicant shall comply with all requirements of the County Sanitation District, make application for and pay the sewer maintenance fee.
22. That the applicant shall pay the water trunkline connection fee of \$3,700.00 per acre upon application for water service connection or if utilizing any existing water service.

MISCELLANEOUS

23. That a grading plan shall be submitted for drainage approval to the City Engineer. The applicant shall pay drainage review fees in conjunction

with this submittal. A professional civil engineer registered in the State of California shall prepare the grading plan.

24. That a hydrology study shall be submitted to the City if requested by the City Engineer. The study shall be prepared by a Professional Civil Engineer.
25. That upon completion of public improvements constructed by developers, the developer's civil engineer shall submit mylar record drawings and an electronic file (AutoCAD Version 2004 or higher) to the office of the City Engineer.
26. That the applicant shall comply with the National Pollutant Discharge Elimination System (NPDES) program and shall require the general contractor to implement storm water/urban runoff pollution prevention controls and Best Management Practices (BMPs) on all construction sites in accordance with the current MS4 Permit. The applicant will also be required to submit a Certification for the project and will be required to prepare a Storm Water Pollution Prevention Plan (SWPPP) and Low Impact Development Plan (LID).

POLICE SERVICES DEPARTMENT:

(Contact: Luis Collazo 562.409-1850 x3320)

27. That the applicant shall submit and obtain approval of a proposed lighting (photometric) plan for the property from the City's Department of Police Services. The photometric plan shall be designed to provide adequate lighting (minimum of 1 foot candle power) throughout the subject property. Further, all exterior lighting shall be designed/installed in such a manner that light and glare are not transmitted onto adjoining properties in such concentration/quantity as to create a hardship to adjoining property owners or a public nuisance. The photometric plans shall be submitted to the designated contact person from the Department of Police Services no later than sixty (60) day from the date of approval by the Planning Commission. PDF formatted plans are acceptable and shall be emailed to luiscollazo@santafesprings.org.
28. That the applicant shall provide an emergency phone number and a contact person of the person or persons involved in the supervision of the construction to the Department of Police Services. The name, telephone number, fax number and e-mail address of that person shall be provided to the Department of Police Services (Attn: Lou Collazo) no later than 60 days from the date of approval by the Planning Commission. Emergency information shall allow emergency service to reach the applicant or their representative any time, 24 hours a day. Information will be submitted to the emergency dispatch operators serving Police and Fire agencies.

29. That in order to facilitate the removal of unauthorized vehicles parked on the property (after construction of the building is completed), the applicant shall post, in plain view and at each entry to the property, a sign not less than 17" wide by 22" long. The sign shall prohibit the public parking of unauthorized vehicles and indicate that unauthorized vehicles will be removed at the owner's expense and also contain the California Vehicle Code that permits this action. The sign shall also contain the telephone number of the local law enforcement agency (Police Services Center (562) 409-1850). The lettering within the sign shall not be less than one inch in height. The applicant shall contact the Police Services Center for an inspection no later than 30 days after the project has been completed and prior to the occupancy permit being issued.
30. That all tenants occupying the premises are to be notified that all respective work shall be conducted inside at all times including, but not limited to, all loading and unloading of trucks and trailers. Items and/or merchandise shall not be left out awaiting loading. Outdoor storage and/or activities are strictly prohibited at all times.
31. That trucks are not to back-in from the street or block traffic at any time; drivers are subject to citations.
32. That off-street parking areas shall not be reduced or encroached upon at any time.
33. That the proposed buildings, including any lighting, fences, walls, cabinets, and poles shall be maintained in good repair, free from trash, debris, litter and graffiti and other forms of vandalism. Any damage from any cause shall be repaired within 72 hours of occurrence, weather permitting, to minimize occurrences of dangerous conditions or visual blight. Paint utilized in covering graffiti shall be a color that matches, as closely possible, the color of the existing and/or adjacent surfaces.
34. That during the construction phase of the proposed project, the contractor shall provide an identification number (i.e. address number) at each building and/or entry gate to direct emergency responders in case of an emergency. The identification numbers may be painted on wood boards and fastened to the temporary construction fence. The boards may be removed after each building has been identified with their individual permanent number address. DO NOT PAINT NUMBERS ON THE BUILDING.
35. That it shall be the responsibility of the job-supervisor to maintain the job site in a clean and orderly manner. Dirt, dust, and debris that has migrated to the street or neighboring properties shall be immediately cleaned. Portable restrooms shall not be visible from the public street and maintained on a regular basis.

36. That all construction debris shall be placed in trash/recycle bins at the end of every work day and shall not be visible from public view.
37. That the property owner and/or lease agent shall notify any potential tenants they are mandated to comply with the ambient noise requirements as required by Santa Fe Springs Zoning Code Section 155.424.
38. That the property owner and/or lease agent shall notify any potential tenants that the parking areas and their respective aisle shall not be reduced or encroached upon with outdoor storage. Moreover, outdoor storage is prohibited at all times.
39. That all parking stalls and/or designated parking areas shall be continuously available to all employees during their business hours. Parking stalls shall not be sectioned off for reserved or preferred parking. Temporary reduction of parking stalls for building construction material, repairs, or the like is permitted and/or for servicing wells, or other underground utilities.
40. That the fencing around the perimeter of the property shall be made of expanded metal fence type or equal with small openings to prevent climbing. The fence shall be a minimum height of 11'-0" and shall not have barbed wire, razor wire or other similar additions.

DEPARTMENT OF FIRE - RESCUE (FIRE PREVENTION DIVISION)
(Contact: Raul Diaz 562.868-0511 x3813)

41. That all buildings over 5,000 sq ft shall be protected by an approved automatic sprinkler system per Section 93.11 of the Santa Fe Springs Municipal Code.
42. That interior gates or fences are not permitted across required Department of Fire-Rescue access roadways unless otherwise granted prior approval by the City Department of Fire-Rescue.
43. That if on-site fire hydrants are required by the Department of Fire-Rescue, a minimum flow must be in accordance with Appendix B from the current Fire Code flowing from the most remote hydrant. In addition, on-site hydrants must have current testing, inspection and maintenance per California Title 19 and NFPA 25.
44. That the standard aisle width for onsite emergency vehicle maneuvering shall be 26 feet with a minimum clear height of 13 feet 6 inches. Internal driveways shall have a turning radius of not less than 52 feet. The final location and design of this 26 feet shall be subject to the approval of the City's Fire Chief as established by the California Fire Code. A request to

provide emergency vehicle aisle width less than 26 feet shall be considered upon the installation/provision of mitigation improvements approved by the City's Fire Chief.

45. That prior to submitting plans to the Building Department, a preliminary site plan shall be approved by the Department of Fire-Rescue for required access roadways and on-site fire hydrant locations. The site plan shall be drawn at a scale between 20 to 40 feet per inch. Include on plan all entrance gates that will be installed.
46. That Knox boxes are required on all new construction. All entry gates shall also be equipped with Knox boxes or Knox key switches for power-activated gates.
47. That signs and markings required by the Department of Fire-Rescue shall be installed along the required Department of Fire-Rescue access roadways.

DEPARTMENT OF FIRE - RESCUE (ENVIRONMENTAL DIVISION)
(Contact: Tom Hall 562.868-0511 x3715)

48. Permits and approvals. That the applicant shall, at its own expense, secure or cause to be secured any and all permits or other approvals which may be required by the City and any other governmental agency prior to conducting environmental assessment or remediation on the property. Permits shall be secured prior to beginning work related to the permitted activity.
49. That all abandoned pipelines, tanks and related facilities shall be removed unless approved by the City Engineer and Fire Chief. Appropriate permits for such work shall be secured before abandonment work begins.
50. That the applicant shall submit plumbing plans to the Santa Fe Springs Department of Fire-Rescue Environmental Protection Division (EPD) and, if necessary, obtain an Industrial Wastewater Discharge Permit Application for generating, storing, treating or discharging any industrial wastewater to the sanitary sewer.
51. That the development will not interfere with any remediation activity or restrictions that may be required by the Los Angeles Regional Water Quality Control Board as part of Cleanup and Abatement Order No. R4-2014-0130.

WASTE MANAGEMENT :

(Contact : Teresa Cavallo 562.868-0511 x7309)

52. That the applicant shall comply with Section 50.51 of the Municipal Code which prohibits any business or residents from contracting any solid waste disposal company that does not hold a current permit from the City.
53. That all projects over \$50,000 are subject to the requirements of Ordinance No. 914 to reuse or recycle 75% of the project waste. Contact the Recycling Coordinator, Teresa Cavallo at (562) 868-0511 x7309.
54. That the applicant shall comply with Public Resource Code, Section 42900 et seq. (California Solid Waste Reuse and Recycling Access Act of 1991) as amended, which requires each development project to provide adequate storage area for the collection/storage and removal of recyclable and green waste materials.

PLANNING AND DEVELOPMENT DEPARTMENT:

(Contact: Vince Velasco 562.868-0511 x7353)

55. Approval of the subject Development Plan Approval (DPA) Case No. 967 is still contingent upon approval of Tentative Parcel Map (TPM) Case No. 82732 to allow the consolidation of two (2) existing parcels that make up the subject property (APN: 8059-004-031 & 054), into a single parcel measuring ± 6.57 -acres.
56. The Mitigation Monitoring and Reporting Program, which was prepared for the proposed project and adopted by the Planning Commission upon completion of the Initial Study/Mitigated Negative Declaration, shall be made part of the conditions of approval for the subject development on property located at 13900 Carmenita Road (APN's 8059-004-031 & 054). The Mitigation Monitoring and Reporting Program is listed as an attachment to this staff report.
57. The applicant shall be responsible for implementing mitigation measures pursuant to the Mitigation Monitoring and Reporting Program and provide all necessary documentation. Planning Department staff will verify compliance *prior* to the issuance of the Certificate of Occupancy. *On-going monitoring shall be reported to the City every six (6) months.*
58. The applicant, Bridge Development Partners, shall implement a dust control program for air quality control. The program shall ensure that a water vehicle for dust control operations is kept readily available at all times during construction. The developer shall provide the City Engineer and Building Official with the name, telephone number and e-mail address of the person directly responsible for dust control and operation of the vehicle.

59. During construction, the following information shall be made available on a sign posted at the main entrance(s) to the site:
- a. Name of the development/project.
 - b. Name of the development company.
 - c. Address or Address range for the subject site.
 - d. 24-hour telephone number where someone can leave a message on a particular complaint (dust, noise, odor, etc.)
60. The applicant, Bridge Development Partners, agrees and understands that all existing overhead utilities within the development shall be placed underground.
61. The Department of Planning and Development requires that the double-check detector assembly be screened by shrubs or other materials. All shrubs shall be planted a minimum distance of two (2) feet surrounding the detector assembly; however, the area in front of the OS and Y valves shall not be screened. The screening shall also only be applicable to the double-check detector assembly and shall not include the fire department connector (FDC). Notwithstanding, the Deputy Fire Marshall shall have discretionary authority to require the FDC to be located a minimum distance from the double-check detector assembly.
62. Prior to submitting plans to the Building Division for plan check, the applicant shall submit Mechanical plans that include a roof plan that shows the location of all roof mounted equipment. All roof-mounted mechanical equipment and/or duct work which projects above the roof or roof parapet of the proposed development and is visible from adjacent property or a public street shall be screened by an enclosure which is consistent with the architecture of the building and approved by the Director of Planning or designee.
- a. To illustrate the visibility of equipment and/or duct work, the following shall be submitted along with the Mechanical Plans:
 - i. A roof plan showing the location of all roof-mounted equipment;
 - ii. Elevations of all existing and proposed mechanical equipment; and
 - iii. A building cross-section drawing which shows the roof-mounted equipment and its relation to the roof and parapet lines.
63. Prior to the issuance of Building Permits, the applicant shall obtain an Office Trailer Permit for the use of mobile office trailers during the construction process.
64. The applicant shall submit for approval a detailed landscape and automatic irrigation plan pursuant to the Landscaping Guidelines of the City. Said landscape plan shall indicate the location and type of all plant

materials, existing and proposed, to be used and shall include 2 to 3 foot high berms (as measured from the parking lot grade elevation), shrubs designed to fully screen the interior yard and parking areas from public view and 24" box trees along the street frontage. *Said plans shall be consistent with AB 1881 (Model Water Efficient Landscape Ordinance).*

65. The landscaped areas shall be provided with a suitable, fixed, permanent and automatically controlled method for watering and sprinkling of plants. This operating sprinkler system shall consist of an electrical time clock, control valves, and piped water lines terminating in an appropriate number of sprinklers to insure proper watering periods and to provide water for all plants within the landscaped area. Sprinklers used to satisfy the requirements of this section shall be spaced to assure complete coverage of all landscaped areas. *Said plan shall be consistent with AB 1881 (Model Water Efficient Landscape Ordinance).*
66. The applicant, Bridge Development Partners, shall submit a lighting program that is integrated into the overall site, landscape design and building design. Lighting shall be used to highlight prominent building features such as entries and other focal points. Up-lighting can also be used as a way to enhance the texture of plants and structures, to create a sense of height in a landscape design.
67. The electrical plans, which show the location of electrical transformer(s), shall be subject to the approval of the Planning Department. Transformers shall not be located within the front yard setback area. The location of the transformer(s) shall be subject to the prior approval of the Director of Planning or designee. The electrical transformer shall be screened with shrubs. (Three (3) foot clearance on sides and back of the equipment. Eight (8) foot clearance in front of the equipment. Landscaping irrigation system shall be installed so that they do not spray on equipment.) (A copy of the Edison Guideline is available at the Planning Department).
68. All fences, walls, gates and similar improvements for the proposed development shall be subject to the prior approval from both the Fire and Planning Departments.
69. The applicant shall clarify on the construction drawings that all roof drains (facing the street), shall be provided along the interior walls and not along the exterior of the building.
70. The Planning Department shall first review and approve all sign proposals for the development. The sign proposal (plan) shall include a site plan, building elevation on which the sign will be located, size, style and color of the proposed sign. All drawings shall be properly dimensioned and drawn to scale on a minimum 11" x 17" size paper. All signs shall be installed in

accordance with the sign standards of the Zoning Ordinance and the Sign Guidelines of the City.

71. Sufficient number of approved outdoor trash enclosures shall be provided for the development subject to the approval of the Director of Planning or designee. The calculation to determine the required storage area is: 1% of the first 20,000 sq. ft. of floor area + ½% of floor area exceeding 20,000 sq. ft., but not less than 4 ½ feet in width nor than 6 feet in height. *(Calculations are subject to change).*
72. Approved suite numbers/letters or address numbers shall be placed on the proposed building in such a position as to be plainly visible and legible from the street fronting the property. Said numbers shall contrast with their background. The size recommendation shall be 12" minimum.
73. The applicant, Bridge Development Partners, shall provide a bulletin board, display case, or kiosk to display transportation information where the greatest number of employees are likely to see it. Information shall include, but is not limited to, the following:
 - a. Current maps, routes and schedules for public transit routes serving the site; and
 - b. Telephone numbers for referrals on transportation information including numbers for the regional ridesharing agency and local transit operators; and
 - c. Ridesharing promotional material supplied by commuter-oriented organizations; and
 - d. Bicycle route and facility information, including regional/local bicycle maps and bicycle safety information; and
 - e. A listing of facilities available for carpoolers, vanpoolers, bicyclists, transit riders and pedestrians at the site. This is required to both meet the requirements of Section 155.502 (D) of the Zoning Regulations and also a goal identified within the City's General Plan Circulation Element.
74. Preferential parking spaces shall be reserved for potential carpool/vanpool vehicles without displacing ADA and customer parking needs. Vanpool space(s) shall be legibly marked off on the pavement or identified by a sign and also conveyed to employees through the required transportation information board. Also, the preferential carpool/vanpool parking shall be identified on the site plan at the time of plan check submittal. This is required to both meet the requirements of section 155.502 (D) of the Zoning Regulations and also a goal identified within the City's General Plan Circulation Element.
75. An area shall be designated for bicycle parking and bicycle racks shall be provided. Bike racks shall be provided to accommodate bicycles at the

ratio of 4 bicycles for the first 50,000 square feet and 1 bicycle for each additional 50,000 square feet. This is required to both meet the requirements of Section 1555.502 (D) of the Zoning Regulations and also a goal identified within the City's General Plan Circulation Element.

76. The applicant, Bridge Development Partners, understands and agrees that compliance with condition of approval numbers 73-75 must be obtained prior to issuance of a certificate of occupancy.
77. The proposed building shall be constructed of quality material and any material shall be replaced when and if the material becomes deteriorated, warped, discolored or rusted.
78. The development shall otherwise be substantially in accordance with the plot plan, floor plan, and elevations submitted by the owner and on file with the case.
79. A minimum of 198 parking stalls shall be provided and maintained at all times.
80. All parking areas shall be legibly marked off on the pavement, showing the required parking spaces. All compact spaces shall be further identified by having the words "compact" or comparable wording legibly written on the pavement, wheel stop or on a clearly visible sign.
81. The applicant understands if changes to the original plans (submitted and on file with the subject case) are required during construction, revised plans must be provided to the planning department for review and approval prior to the implementation of such changes. *It should be noted that certain changes may also require approvals from other departments.*
82. The final plot plan, floor plan and elevations of the proposed development and all other appurtenant improvements, textures and color schemes shall be subject to the final approval of the Director of Planning.
83. All activities shall occur inside the building(s). No portion of the required off-street parking and driveway areas shall be used for outdoor storage of any type or for special-event activities, unless prior written approval is obtained from the Director of Planning, Director of Police Services and the Deputy Fire Marshall.
84. The applicant, Bridge Development Partners, shall not allow commercial vehicles, trucks and/or truck tractors to queue on Carmenita Road, use said streets as a staging area, or to back up onto the street from the subject property.

85. The applicant shall comply with the City's "Heritage Artwork in Public Places Program" in conformance with City Ordinance No. 1054.
86. Prior to issuance of building permits, the applicant shall comply with the following conditions to the satisfaction of the City of Santa Fe Springs:
 - a. Covenants.
 1. Applicant shall provide a written covenant to the Planning Department that, except as may be revealed by the environmental remediation described above and except as applicant may have otherwise disclosed to the City, Commission, Planning Commission or their employees, in writing, applicant has investigated the environmental condition of the property and does not know, or have reasonable cause to believe, that (a) any crude oil, hazardous substances or hazardous wastes, as defined in state and federal law, have been released, as that term is defined in 42 U.S.C. Section 9601 (22), on, under or about the Property, or that (b) any material has been discharged on, under or about the Property that could affect the quality of ground or surface water on the Property within the meaning of the California Porter-Cologne Water Quality Act, as amended, Water Code Section 13000, et seq.
 2. Applicant shall provide a written covenant to the City that, based on reasonable investigation and inquiry, to the best of applicant's knowledge, it does not know or have reasonable cause to believe that it is in violation of any notification, remediation or other requirements of any federal, state or local agency having jurisdiction concerning the environmental conditions of the Property.
 - b. Applicant understands and agrees that it is the responsibility of the applicant to investigate and remedy, pursuant to applicable federal, state and local law, any and all contamination on or under any land or structure affected by this approval and issuance of related building permits. The City, Commission, Planning Commission or their employees, by this approval and by issuing related building permits, in no way warrants that said land or structures are free from contamination or health hazards.
 - c. Applicant understands and agrees that any representations, actions or approvals by the City, Commission, Planning Commission or their employees do not indicate any representation that regulatory permits, approvals or requirements of any other federal, state or local agency have been obtained or satisfied by the applicant and, therefore, the City, Commission, Planning Commission or their employees do not release or waive any obligations the applicant may have to obtain all necessary regulatory permits and comply with all other federal, state

or other local agency regulatory requirements. Applicant, not the City, Commission, Planning Commission or their employees will be responsible for any and all penalties, liabilities, response costs and expenses arising from any failure of the applicant to comply with such regulatory requirements.

87. *Prior* to occupancy of the property/building, the applicant, and/or his tenant(s), shall obtain a valid business license (AKA Business Operation Tax Certificate), and submit a Statement of Intended Use. Both forms, and other required accompanying forms, may be obtained at City Hall by contacting the Finance Department at (562) 868-0511, extension 7520, or through the City's web site (www.santafesprings.org).
88. The applicant, Bridge Development Partners, shall be responsible for reviewing and/or providing copies of the required conditions of approval to his/her architect, engineer, contractor, tenants, etc. Additionally, the conditions of approval contained herein, shall be made part of the construction drawings for the proposed development. *Construction drawings shall not be accepted for Plan Check without the conditions of approval incorporated into the construction drawings.*
89. The applicant, Bridge Development Partners, shall require and verify that all contractors and sub-contractors have successfully obtained a Business License with the City of Santa Fe Springs prior to beginning any work associated with the subject project. A late fee and penalty will be assessed to any contractor or sub-contractor that fails to obtain a Business License and a Building Permit final or Certificate of Occupancy will not be issued until all fees and penalties are paid in full. Please contact the Finance Department at (562) 868-0511, extension 7520 for additional information. A business license application can also be downloaded at www.santafesprings.org.
90. The applicant, Bridge Development Partners, agrees to defend, indemnify and hold harmless the City of Santa Fe Springs, its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul an approval of the City or any of its councils, commissions, committees or boards arising from or in any way related to all entitlements and approvals issued by the City in connection with the Project and from any CEQA challenges relating to the environmental review and determination for the Project, or any actions or operations conducted pursuant thereto. Should the City, its agents, officers or employees receive notice of any such claim, action or proceeding, the City shall promptly notify the applicant of such claim, action or proceeding, and shall cooperate fully in the defense thereof.

91. All other requirements of the City's Zoning Regulations, Building Code, Property Maintenance Ordinance, State and City Fire Code and all other applicable County, State and Federal regulations and codes shall be complied with.
92. It is hereby declare to be the intent that if any provision of this Approval is violated or held to be invalid, or if any law, statute or ordinance is violated, this Approval shall be void and the privileges granted hereunder shall lapse.
93. All otherwise specified in the action granting Development Plan Approval, said approval which has not been utilized within a period of 12 consecutive months from the effective date shall become null and void. Also, the abandonment or nonuse of a Development Plan Approval for a period of 12 consecutive months shall terminate said Development Plan Approval and any privileges granted thereunder shall become null and void. However, an extension of time may be granted by Commission or Council action.



CONSENT AGENDA

Status update for the appeal of a denial involving an application for a Conditional Use Permit (CUP Case No. 795), five (5) Zone Variances (ZV Case Nos. 82 and 84-87) and a Development Agreement (DA 01-2020), filed by Becker Boards, on a parcel located at 13539 Freeway Drive (APN: 8069-016-006).

RECOMMENDATION

- Receive and file the report.

BACKGROUND

This report is for informational purposes only.

On February 13, 2020, the City Clerk's office received a formal appeal of the Planning Commission's actions relating to the subject applications on property located at 13539 Freeway Drive. The appeal, submitted by Becker Boards, was received within the 14-day appeal period, as specified in Section 155.865 of the City's Zoning Ordinance.

On March 12, 2020, in accordance with Section 155.866 of the City's Zoning Ordinance, the City Council unanimously voted in favor of setting the appeal matter as a public hearing before itself. The public hearing was originally scheduled for the April 9th City Council meeting to allow the City Council to consider the subject appeal. However, due to health concerns and travel limitations surrounding the Covid-19 (coronavirus) outbreak, the appellant has continued to request that the matter be postponed. To date, the matter has been postponed a total of three times. The first request was to postpone the matter to the May 28, 2020 City Council meeting, the second was to the June 11, 2020 City Council Meeting, and most recently to the June 25, 2020 City Council Meeting.

On June 8, 2020, to ensure that Staff had sufficient time to send out the public hearing notice, staff followed-up with the appellant to confirm if they should continue to move forward with setting the public hearing for the June 25, 2020 City Council meeting. Due to ongoing complications to their business resulting from Covid-19, the appellant has asked that this matter be further postponed until the July 23, 2020 City Council meeting.

The City Council should note that staff recently spoke to the City Attorney's office to confirm if there were any legal concerns surrounding the ongoing postponement of the subject appeal. While the Assistant City Attorney concluded that our City Ordinance does not specify a time period in which a decision must be made, given the amount of time that has lapsed since the appeal was filed, he recommended that we move forward with setting the matter for a public hearing on July 23, 2020. Should the applicant wish to request for further postponement, they would still have an opportunity to do so at the

July 23, 2020 City Council meeting. The difference would be that a decision to further postpone the appeal would then be up to the City Council, and no longer considered at staff level. Therefore, unless the City Council disagrees, staff is planning to set the matter for a public hearing on July 23, 2020.



Raymond R. Cruz
City Manager

Attachments:

1. June 9, 2020 e-mail from applicant's representative, Danielle Hayman.

Cuong H. Nguyen

From: Danielle Hayman <dhayman@beckerboards.com>
Sent: Tuesday, June 09, 2020 3:37 PM
To: Cuong H. Nguyen; Joseph White
Cc: Mark Becker
Subject: Re: Appeal Submittal Request for 13539 Freeway Dr. Santa Fe Springs, CA 90670

Hi Cuong,

To follow Josephs email can you please push the council hearing to July 23, 2020, Thank you.

Danielle Hayman

From: Cuong H. Nguyen <CuongNguyen@santafesprings.org>
Sent: Monday, June 8, 2020 10:22 AM
To: Joseph White <jwhite@beckerboards.com>; Danielle Hayman <dhayman@beckerboards.com>
Cc: Mark Becker <mbecker@beckerboards.com>
Subject: RE: Appeal Submittal Request for 13539 Freeway Dr. Santa Fe Springs, CA 90670

Hi Joseph – Given the current circumstances surrounding Covid-19, I would assume that the City Council would continue to grant you further postponement of your appeal. However, please know that said decision rest entirely on our City Council. Staff will continue to forward your requests to the Council for their consideration but we do not have any control over the outcome of their determination.

With that said, to avoid ongoing postponements, may I suggest that you select a City Council meeting date that provides you with the highest probability of moving forward with the appeal matter. Please also provide me with any specific reasons that you would like me to include within my report to the City Council for their consideration.

Cuong Nguyen | Senior Planner
City of Santa Fe Springs | Planning Department
11710 Telegraph Road | Santa Fe Springs, CA 90670
(562) 868-0511, Ext 7359 | (562) 868-7112 Fax
cuongnguyen@santafesprings.org | www.santafesprings.org



From: Joseph White [mailto:jwhite@beckerboards.com]
Sent: Monday, June 08, 2020 9:48 AM
To: Cuong H. Nguyen <CuongNguyen@santafesprings.org>; Danielle Hayman <dhayman@beckerboards.com>
Cc: Mark Becker <mbecker@beckerboards.com>
Subject: Re: Appeal Submittal Request for 13539 Freeway Dr. Santa Fe Springs, CA 90670

Hi Cuong,

Good morning, can we delay until July? We are dealing with a lot right now with the corona virus and prefer to wait until then.



ORDINANCE FOR ADOPTION

Ordinance No. 1110 - An ordinance of the City of Santa Fe Springs Amending Sections 155.003 (Definitions), 155.644 (Accessory Dwelling Units) and 155.644.1 (Junior Accessory Dwelling Units) of Chapter 155 (Zoning) of Title 15 (Land Use) of the Santa Fe Springs Municipal Code Relating to the Construction of Accessory Dwelling Units and Junior Accessory Dwelling Units in the A-1, Light Agricultural; R-1, Single-Family Residential; and R-3, Multi-Family Residential, Zones. (City of Santa Fe Springs)

RECOMMENDATION:

- Adopt Ordinance No. 1110

BACKGROUND

Ordinance No. 1110 was introduced and passed its first reading at June 11, 2020 City Council meeting. Below is the substance of the agenda report for the proposed ordinance as it appeared at that meeting:

The State of California enacted Government Code Section 65852.2 in 1982, establishing a mandate that every local agency adopt provisions for permitting secondary dwelling units. The intent of the legislation was to encourage housing for extended family members and to increase the availability of rental housing. In 2003, Assembly Bill 1866 was adopted, requiring all local governments to allow secondary dwelling units within single-family residential zones. In February 2016, Senator Wieckowski introduced Senate Bill 1069 and Assembly member Bloom introduced Assembly Bill 2299 which proposed specific amendments to State law to promote the production of secondary dwelling units, herein forth referred to as "accessory" dwelling units. Also, in 2016, Assembly member Thurmond introduced AB 2406 to add provisions for the creation of junior accessory dwelling units. All three of these bills ultimately passed and became law.

During the last legislative session there were a number of bills enacted relating to Accessory Dwelling Units (ADU) and Junior Accessory Dwelling Units (JADU). The Legislature has further restricted local control and mandated new requirements, including the approval of junior accessory dwelling units which is a unit of no more than 500 square feet contained within a single-family dwelling. If a city does not have an accessory dwelling unit ordinance that is compliant with State law, then any applications submitted will be processed under the State law requirements without any local input. As the new law had gone into effect on January 1, 2020, it is now necessary to adopt these changes through an Ordinance to reactively retain some local standards and design controls that were not otherwise dictated by State law.

It is noted that the ordinance presented by staff reflects previous directives from the Department of Housing and Community Development ("HCD") and the Legislature's overriding intent to deal with California's housing crisis during this past legislative session.

ANALYSIS

Santa Fe Springs' existing Zoning Ordinance provisions applicable to accessory dwelling units (Section 155.644) and junior accessory dwelling units (Section 155.644.1) are affected by these legislations to the extent that a local ordinance imposes requirements beyond those specifically allowed by State law, those local provisions were superseded as of January 1, 2020. The two primary bills that impacted accessory dwelling units were AB 68 and AB 881. The following is a brief summary of each of the two bills that take effect January 1, 2020.

Summary of AB 68 (Ting)

Under AB 68, local agencies will be required to ministerially approve one ADU and one Junior ADU (JADU) (defined as a unit no more than 500 square feet in size and contained entirely within an existing single-family structure) per lot that is within an existing structure; one detached ADU within a proposed (new construction) or existing structure or the same footprint as the existing structure, along with one JADU; multiple ADUs within existing multifamily structures; or two detached ADUs on a multifamily lot. AB 68 also require the local agencies to allow up to 25% of the existing multifamily dwelling unit to construct an ADU.

AB 68 also eliminate the requirement for owner occupancy of either the primary dwelling or the ADU. The bill also strengthens the existing requirement that ADUs be used for rental terms of at least 30 days by requiring that local governments mandate 30-day minimum rentals for ADUs.

AB 68 also prohibit local agencies from enacting ADU ordinances that would do the following:

- Impose requirements on lot coverage or minimum lot size.
- Allow more than 60 days to ministerially approve an ADU or JADU permit application if there is an existing single-family or multifamily dwelling on the lot.
- Set a maximum ADU size that does not allow an ADU of at least 800 square feet and 16 feet in height.
- Require replacement parking when a garage, carport, or covered parking structure is demolished to create an ADU, or is converted to an ADU.

- Require a setback for ADUs within existing structures, and new ADUs located in the same location and footprint as existing structures, and no more than a four-foot side and rear yard setback.
- Require, as a condition for ministerial approval of an application, correction of physical conditions that do not conform with current zoning standards.

Summary of AB 881 (Bloom)

This bill made a number of changes to the ADU provisions by the following:

- ADUs must now be allowed in all residential zones, albeit with some limitations. Additionally, in certain circumstances they are also required to be located in mixed-use zones.
- All ADUs, as well as JADUs, must be approved within 60 days if they meet the ministerial requirements. If the ADU or JADU is being proposed in conjunction with a new primary structure, the approval may be delayed until the accessory structure is approved.
- The grounds on which ADUs may be denied are now limited to water, sewer, traffic flow and public safety.
- The City may no longer have a minimum lot size for lots on which ADUs must be allowed. This will eliminate the existing requirement for a 5,000 square foot minimum lot size. In reality, this should make little difference for the City of Santa Fe Springs because 5,000 square feet is the minimum required lot size in the City.
- The law has been clarified to provide that ADUs must be allowed within a proposed or existing primary dwelling, in addition to being attached or detached. The difference between an interior ADU and a JADU would primarily be the size. JADU is defined as a unit no more than 500 square feet in size and contained entirely within an existing single-family structure.
- At most, the City may require a four-foot side and rear yard setback. No setbacks may be required if the ADU is being converted from or constructed in the exact same location as a permitted accessory structure, including a garage. Garage conversions are mandatory and no replacement parking can be required for a garage that is removed as part of creating an ADU.
 - Because of this, the proposed Ordinance includes amendments to

require that all accessory structures, except garages, to have at least a four-foot setback. This will eliminate the potential for zero lot line accessory building conversions in the future.

- Through January 1, 2025, the City can no longer impose an owner-occupancy requirement for ADUs and this requirement may not be imposed on any units approved during this time.
- State law has been amended to provide that a City may establish a maximum square footage requirement of 850 square feet for studio and one bedroom units and 1,000 square feet for more than one bedroom. Accordingly, the City has revised its ordinance to impose these standards.
- If the City were to impose a percent limitation based on the existing size of the primary house, such as a 50% limit, it must still allow an ADU that is at least 800 square feet.
- Four category of accessory dwelling units must be approved regardless of any other provisions for an ADU within a residential or mixed-use zone; these are:
 - An ADU within a proposed or existing single-family dwelling when certain conditions are met.
 - A detached ADU that is no more than 800 square feet, no more than 16 feet high, and more than 4 foot side and rear yard setbacks. It should be noted that when this type of ADU is approved; the owner may also have a JADU within the house.
 - ADUs inside a multi-family dwelling in spaces that are not used as habitable spaces, such as storage rooms, boiler rooms, attics, basements, or garages provided the unit complies with the building code standards for dwellings. The City must allow up to 25% of the number of existing units and a minimum of one.
 - Two detached ADUs on a lot with a multifamily dwelling provided that each ADU is no greater than 16 feet in height and has minimum four-foot side and rear yard setbacks. State law does not impose a minimum size, but staff is recommending that an 800 square foot limit be imposed in these situations.
- For the above four types of units, staff may not require correction of nonconforming zoning conditions.

Other Bills

SB 13 added section 17980.12 to the Health and Safety Code. Under this new requirement, through January 1, 2030, the City must include a notice to owners of ADUs with building code violations that they can seek to defer the corrections if it is not a matter of health and safety. If the City agrees, then enforcement shall be delayed for five years. This only applies to ADUs built before January 1, 2020 or to ADUs built after January 1, 2020 in a city that did not have a compliant ordinance but does have one at the time the request for delay is made.

AB 670 added section 4751 to the Civil Code. This section provides that CC&Rs for lots zoned for single-family residential use may not prohibit or unreasonably restrict the construction or use of an ADU or JADU.

PLANNING COMMISSION CONSIDERATION

At its meeting of May 11, 2020, the City Planning Commission conducted a Public Hearing on a Zoning Text Amendment to amend Sections 155.003 (Definitions), 155.644 (Accessory Dwelling Units) and 155.644.1 (Junior Accessory Dwelling Units) of Chapter 155 (Zoning) of Title 15 (Land Use) of the Santa Fe Springs Municipal Code. After considering the facts contained in the staff report, a presentation provided by staff, and public comment received at the hearing, the Planning Commission (PC) approved a motion to recommend that the City Council approve Zoning Text Amendment – Accessory Dwelling Unit within Sections 155.003 (Definitions), 155.644 (Accessory Dwelling Units) and 155.644.1 (Junior Accessory Dwelling Units) of Chapter 155 (Zoning) of Title 15 (Land Use) of the Santa Fe Springs Municipal Code. Attached is a copy of Resolution No. 155-2020, memorializing the action taken by the City Planning Commission to recommend that the City Council approve the proposed Zoning Text Amendment.

PROPOSED ZONING TEXT AMENDMENT

The proposed text changes are shown underlined and the existing text that is being replaced is shown as a ~~strike-through~~.

§ 155.003 DEFINITIONS.

ACCESSORY DWELLING UNIT. Either a detached or attached dwelling unit which provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking and sanitation on the same parcel or parcels as the primary unit is situated. An accessory dwelling unit may also be located within an existing or proposed primary dwelling unit. An **ACCESSORY DWELLING UNIT** also includes the following:

- (1) An efficiency unit, as defined in Cal. Health and Safety Code § 17958.1.

(2) A manufactured home, as defined in California Health and Safety Code § 18007.

ACCESSORY DWELLING UNIT, JUNIOR. A junior accessory dwelling unit is a unit that is no more than 500 square feet in size and contained entirely within a single-family residence.

§ 155.644 ACCESSORY DWELLING UNITS.

(A) *Intent.* In enacting this section, it is the intent of the city to encourage the provision of accessory dwelling units to meet a variety of economic needs within the city and to implement the goals, objectives, and policies of the housing element of the general plan. Accessory dwelling units provide housing for extended family members, students, the elderly in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods. Homeowners who create accessory dwelling units can benefit from added income, and an increased sense of security. Allowing accessory dwelling units in residential zones provides needed additional rental housing. This section provides the requirements for the establishment of accessory dwelling units consistent with Cal. Government Code § 65852.2.

(B) Interpretation. In cases of conflict between this section and any other provision of this title, the provisions of this section shall prevail. To the extent that any provision of this section is in conflict with State law, the mandatory requirement of State law shall control, but only to the extent legally required.

(CB) Applications:

(1) Administrative Review: All accessory dwelling unit applications shall be ministerially approved by the Director of Planning and Development and a permit issued within ~~420~~ 60 days upon presentation of a complete application to build an accessory dwelling unit if the plans conform to the standards and criteria provided in ~~division (C)~~ subsection (D) and (E) of this section. If the accessory dwelling unit is being proposed in conjunction with a new single-family dwelling, the Director may delay acting on the permit application until the City acts on the permit application for the new single-family dwelling. The City shall grant a delay if requested by the applicant.

(2) Fees: Applications for an accessory dwelling unit shall be accompanied by an application fee and shall be subject to applicable inspection and permit fees.

(DG) Accessory dwelling unit standards. The following standards and

criteria shall apply to the creation of an accessory dwelling unit:

~~(1) The accessory dwelling unit shall be allowed only on a lot or parcel in the R-1, Single-Family Residential Zone which is developed only with an existing detached single family dwelling, or in the R-3, Multiple-Family Residential Zone which is developed with an existing residential dwelling. The accessory dwelling unit shall be allowed only on a lot or parcel that zoned for residential use with an existing or proposed residential dwelling.~~

~~(2) There shall not be more than one accessory dwelling unit per lot or parcel, except as specified in subsection F(1)(a) below. that no accessory dwelling unit shall be allowed on any lot or parcel where a guest house or residential facility as defined in Cal. Health and Safety Code § 1502(a)(1) serving six or fewer persons exists.~~

~~(3) An accessory dwelling unit that conforms to the development standards of this section is deemed to be an accessory use and/or structure and will not be considered to exceed the allowable density for the lot upon which it is located and shall be deemed to conform to the zoning and General Plan.~~

~~(4) The lot or parcel proposed for the accessory dwelling unit must contain a minimum area of 5,000 square feet.~~

~~(4) The accessory dwelling unit may be attached to or detached from the primary residential dwelling or located within an existing or proposed single-family residence.~~

~~(5) The accessory dwelling unit may be attached to or located within the living area of the primary dwelling or detached from the primary dwelling.~~

(5) Floor Area Standards:

~~(a) The maximum floor area for an attached or detached accessory dwelling unit shall not exceed 50% of the existing habitable area of the primary residence, not to exceed 640. The detached or attached accessory dwelling unit with one of less bedroom shall not exceed a total floor area of 850 square feet.~~

~~(b) The maximum floor area for a detached accessory dwelling unit shall not exceed 640 square feet and shall not exceed one bedroom. The detached or attached accessory dwelling unit with more than one bedroom shall not exceed a total floor area of 1,000 square feet.~~

~~(c) If there is an existing primary dwelling, the total floor area of an attached accessory dwelling unit shall not exceed 50 percent of the existing~~

primary dwelling.

(d) The minimum floor area for an accessory dwelling unit shall be 150 square feet.

(6) Setback Standard:

(a) The accessory dwelling unit shall comply with all of the property development standards applicable to the specific zone in which it is located the front setback standard applicable to the specific zone in which it is located, unless otherwise modified by this section.

(b) No setback shall be required for an existing garage that is converted to an accessory dwelling unit, and a setback of no more than five feet from the side and rear lot lines shall be required for an accessory dwelling unit constructed above a garage. The accessory dwelling unit shall set back no less than four feet from the side and rear property line.

(c) Notwithstanding any other provision of this section, no setback shall be required for an existing permitted living area or accessory structure or a structure constructed in the same location and to the same dimensions as an existing structure that is converted to an accessory dwelling unit or to a portion of an accessory dwelling unit. A setback of no more than four feet from the side and rear lot lines shall be required for an accessory dwelling unit that is not converted from an existing structure or a new structure constructed in the same location and to the same dimensions as an existing structure.

(7) The accessory dwelling unit shall comply with all building, safety, fire and health codes, and all other applicable laws and regulations. Accessory dwelling units are not required to provide fire sprinklers if sprinklers are not required for the primary dwelling unit. The accessory dwelling unit shall not be greater than 16 feet in height.

(8) The accessory dwelling unit shall be designed to be architecturally compatible with the primary dwelling. A site plan, elevations and floor plan depicting said architectural compatibility shall be submitted to the Director of Planning and Development for review and approval prior to the issuance of any building permits. The attached or detached accessory dwelling unit shall be located within, to the rear, or to the side of the existing or proposed primary residence unless the accessory dwelling unit is being constructed in the exact location and to the same dimensions as a previously existing approved accessory structure, including an attached or detached garage.

(9) To maintain the residential character of the neighborhood, there shall

~~not be more than one exterior entrance on the front or on any street-facing side of the accessory dwelling unit. Additionally, no exterior stairway shall be located on the front or on any street-facing side of the accessory dwelling unit. No passageway shall be required in conjunction with construction of an accessory dwelling unit. The accessory dwelling unit shall comply with all building, safety, fire and health codes, and all other applicable laws and regulations. Accessory dwelling units are not required to provide fire sprinklers are not required for the primary dwelling unit.~~

(10) Manufactured housing is allowed in compliance with the provisions herein; however, mobile homes, trailers and recreational vehicles shall not be used as accessory dwelling units.

(11) In addition to all other required off-street parking, parking requirements for accessory dwelling units shall not exceed one space per unit. Parking may also be located in setback areas in locations determined by the city or through tandem parking, unless specific findings are made that such parking is infeasible based upon specific site or regional topographical or fire and life safety conditions, or that it is not permitted anywhere else in the city. Mechanical parking lifts may also be used for replacement parking.

~~(1211) In addition to all other required off-street parking, parking requirements for accessory dwelling units shall not exceed one space per unit or per bedroom. These spaces may be provided as tandem parking on an existing driveway. Parking may also be located in setback areas in locations determined by the city or through tandem parking, unless specific findings are made that such parking is infeasible based upon specific site or regional topographical or fire and life safety conditions, or that it is not permitted anywhere else in the city. No parking shall be required for an accessory dwelling unit in any of the following instances: When a garage, carport, or covered parking structure is demolished in conjunction with the construction of or conversion to an accessory dwelling unit, no replacement parking shall be required. Additionally, no parking shall be required for an accessory dwelling unit in any of the following instances:~~

(a) The accessory dwelling unit is located within one-half mile walking distance of public transit.

(b) The accessory dwelling unit is located within an architecturally and historically significant historic district.

(c) The accessory dwelling unit is part of the existing primary residence or an existing accessory structure.

(d) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

(e) When there is a car share vehicle located within one block of the accessory dwelling unit.

~~(12) When a garage, carport, or covered parking structure is demolished in conjunction with the construction of an accessory dwelling unit, and the city requires that those off-street parking spaces be replaced, the replacement spaces may be located in any configuration on the same lot as the accessory dwelling unit, including, but not limited to, as enclosed or covered spaces, uncovered spaces, tandem spaces, or by the use of mechanical automobile parking lifts.~~

(13) The owner of the property on which the accessory dwelling unit is located shall reside in either of the dwelling units on the property as his/her/their principal residence. This is a perpetual requirement that runs with the land, and a restrictive covenant establishing this requirement shall be recorded prior to occupancy of the accessory dwelling unit. This provision shall not apply to an accessory dwelling unit approved between January 1, 2020 and January 1, 2025.

(14) The accessory dwelling unit and the primary residential dwelling may be rented concurrently provided that the for terms of the rental is at least 31 days or more, but the accessory dwelling unit shall not be sold or owned separately from the primary dwelling.

(15) Accessory dwelling units shall not be considered new residential uses for the purposes of calculating local agency connection fees or capacity charges for utilities, including water and sewer service.

(a) For attached units or units located within the living area of the existing dwelling ~~and located within a single-family zone~~ and meeting the definition of subsection (F)(1)(a) below, the city shall not require the applicant to install a new or separate utility connection between the accessory dwelling unit and the utility or impose a related connection fee or capacity charge. Such requirements and charges may be imposed when the accessory dwelling unit is being constructed in connection with a proposed single-family residential dwelling.

(b) For all other accessory dwelling units other than those described in subsection (D)(16)(a) above, ~~detached units or units within multi-family zones~~, the city may require a new or separate utility connection directly between the accessory dwelling unit and the utility. The connection fee or capacity charge shall be proportionate to the burden of the proposed accessory dwelling unit upon the water or sewer system based upon either its size or the number of its plumbing fixtures, and may not exceed the reasonable cost of providing the water or sewer service.

(16) Impact Fees.

(a) No impact fee shall be imposed on any accessory dwelling unit less than 750 square feet in size.

(b) For accessory dwelling units 750 square feet or greater, impact fees shall be charged proportionately in relation to the square footage of the primary dwelling.

(c) All applicable public service and recreation impact fees shall be paid prior to occupancy in accordance with Government Code sections 66000 et seq. and 66012 et seq.

(d) For purposes of this section, "impact fee" shall have the same meaning as set forth in Government Code section 65852.2(f).

(17)(46) The provisions of this section shall not apply to any accessory dwelling units for which the city issued conditional use permits prior to the effective date of this section.

~~(18)(17) The accessory dwelling unit shall only be allowed if a determination is made by the City Engineer that adequate infrastructure capacity is available to serve the accessory dwelling unit, including but not limited to, sewer, water and traffic capacity. Prior to obtaining a building permit for the accessory dwelling unit, a deed restriction, in a form satisfactory to the City Attorney, shall be recorder with the County Recorder to evidence and give notice of the requirement of this section.~~

~~(18) A deed restriction, in a form satisfactory to the City Attorney, shall be recorded with the County Recorder to evidence and give notice of the requirements of this section.~~

(E) Design Standards.

(1) The accessory dwelling unit shall be designed to be architecturally compatible with the primary dwelling. A site plan, elevations and floor plan depicting said architectural compatibility shall be submitted to the Director of Planning and Development for review and approval prior to the issuance of any building permits.

(2) When feasible, windows facing an adjoining residential property shall be designed to protect the privacy of neighbors. If window placement does not protect privacy, then fencing or landscaping might be used to provide screening.

(3) An accessory dwelling unit shall have a separate exterior entrance from the primary dwelling unit.

(4) To the maximum extent feasible, the accessory dwelling unit shall not alter the appearance of the primary single-family dwelling unit.

(5) When feasible, no more than one exterior entrance on the front or on any street-facing side of the primary dwelling unit and accessory dwelling unit combined.

(6) No exterior stairway shall be located on the front or on any street-facing side of the accessory dwelling unit.

(F) Mandatory Approvals.

(1) Notwithstanding any other provision of this chapter, the City shall ministerially approve an application for any of the following accessory dwelling units within a residential or mixed-use zone:

(a) A junior or accessory dwelling unit within the existing or proposed space of a single-family dwelling or accessory structure subject to the following requirements:

(i) An expansion of up to 150 square feet shall be allowed in an accessory structure that is converted to an ADU solely for the purposes of accommodating ingress and egress.

(ii) The junior or accessory dwelling unit shall have exterior access separate from the existing or proposed single-family dwelling.

(iii) The side and rear setbacks shall be sufficient for fire and building and safety.

(iv) If the unit is a junior accessory dwelling unit, it shall comply with the requirements of Section 155.644.1 below.

(b) One detached or attached accessory dwelling unit subject to the following requirements:

(i) The accessory dwelling unit shall be set back no less than four feet from the side and rear property line.

(ii) The accessory dwelling unit shall be on a lot or parcel with an existing or proposed single-family dwelling.

(iii) The accessory dwelling unit shall not exceed 800 square feet in size.

(iv) The accessory dwelling unit shall not exceed 16 feet in height.

(v) A junior accessory dwelling unit may be developed with this type of detached accessory dwelling unit, it shall comply with all requirements of Section 155.644.1 below.

(c) On a lot with a multifamily dwelling structure, up to 25 percent of the total multifamily dwelling units, but no less than one unit, shall be allowed within the portions of the existing structure that are not used as livable space, including, but no limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages, provided that each unit complies with state building standards for dwellings.

(d) On a lot with a multifamily dwelling structure, up to two detached units, provided that neither unit is greater than 16 feet in height and has at least four foot side and rear yard setbacks.

(2) For those accessory dwelling units which require mandatory approval, the City shall not require the correction of legal, nonconforming zoning conditions.

(G) Enforcement. Until January 1, 2030, the City shall issue a statement along with a notice to correct a violation of any provision of any building standard relating to an accessory dwelling unit that substantially provides as follows:

(1) You have been issued an order to correct violations or abate nuisances relating to your accessory dwelling unit. If you believe that this correction or abatement is not necessary to protect the public health and safety you may file an application with the City Planning Department. If the City determines that enforcement is not required to protect the health and safety, enforcement shall be delayed for a period of five years from the date of the original notice.

(2) This provision shall only apply if the accessory dwelling unit was built before January 1, 2020 and after July 25, 2020.

§ 155.644.1 JUNIOR ACCESSORY DWELLING UNITS.

(A) Intent. In enacting this section, it is the intent of the city to support the conversion or re-purposing of an existing bedroom(s) into an additional dwelling unit within a single family dwelling to:

- ~~(1) More efficiently use and expand the existing housing stock;~~
- ~~— (2) Promote opportunities for house sharing, particularly among the age-in-place senior population; and~~
- ~~(2) Expand affordable rental housing in the community.~~

(A) Intent. In enacting this section, it is the intent of the city to encourage the provision of junior accessory dwelling units to meet a variety of economic needs within the city and to implement the goals, objectives, and policies of the housing element of the general plan. Junior accessory dwelling units provide housing for extended family members, students, the elderly in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods. Homeowners who create junior accessory dwelling units can benefit from added income, and an increased sense of security. Allowing junior accessory dwelling units in residential zones provides needed additional rental housing. This section provides the requirements for the establishment of junior accessory dwelling units consistent with Cal. Government Code § 65852.22.

(B) Administrative review. All junior accessory dwelling unit applications shall be approved by the Director of Planning and Development and a permit issued within 120 days upon presentation of an application to provide a junior accessory dwelling unit if the plans conform to the standards and criteria provided in division (D) of this section. All junior accessory dwelling unit applications shall be ministerially approved by the Director of Planning and Development and a permit issued within 60 days upon presentation of a complete application to provide a junior accessory dwelling unit if the plans conform to the standards and criteria provided in division (C) and (D) of this section. If the junior accessory dwelling unit is being proposed in conjunction with a new single-family dwelling, the Director may delay acting on the permit application until the City acts on the permit application for the new single-family dwelling. The City shall grant a delay if requested by the applicant.

(C) Junior accessory dwelling unit standards. The following standards and criteria shall apply to the creation of a junior accessory dwelling unit:

- (1) A maximum of one junior accessory dwelling unit shall be permitted per residential lot containing a single-family dwelling. Junior accessory dwelling units do not count towards are not required to meet the density requirements of the general plan or zoning ordinance.
- (2) The property owner shall occupy either the main single-family dwelling or the junior accessory dwelling unit.

(3) The junior accessory dwelling unit or the main single-family dwelling may be rented, provided the rental term for terms is of at least 31 days or more, but the junior accessory dwelling unit shall not be sold or owned separately from the single-family dwelling.

(4) The junior accessory dwelling unit must be created within the existing walls of an existing single-family dwelling ~~and must include the conversion of an existing bedroom(s) and ancillary spaces.~~

(5) The junior accessory dwelling unit shall not exceed 500 square feet in size.

(6) The junior accessory dwelling unit shall include a separate entrance from the main entrance to the single-family home. A with an interior entry to the main living area shall be required if the junior accessory dwelling unit shares sanitary facilities with the single-family home room. The junior accessory dwelling unit may include a second interior doorway for sound attenuation.

(7) The junior accessory dwelling unit shall include a food preparation area, requiring and limited to the following components:

~~(a) A sink with a maximum width and length dimensions of 16 inches and a maximum waste line diameter of 1.5 inches;~~

~~(ab) A cooking facility with appliances; and that do not require electrical service greater than 120 volts or natural or propane gas; and~~

~~(be) A food preparation counter and storage cabinets which do not exceed six feet in length.~~

(8) No additional off-street parking is required beyond that required for the main single-family dwelling. ~~The main single-family dwelling must meet the current off-street parking standard in effect at the time the junior accessory dwelling unit is approved.~~

(9) Utility service. A separate water connection or meter, and a separate sewer service connection are not required for a junior accessory dwelling unit. Water and sewer service for the junior accessory dwelling unit is shared with the main single-family dwelling unit.

(10) The junior accessory dwelling unit shall comply with all applicable building standards and shall be subject to permit and inspection fees to ensure such compliance. Fire sprinklers shall be required if they are required in the

existing or proposed single-family residence.

(11) For the purposes of applying any fire or life protection ordinance or regulation, or providing service water, sewer, or power, including a connection fee, a junior accessory dwelling unit shall not be considered to be a separate or new dwelling unit.

(120) Prior to obtaining a building permit for the junior accessory dwelling unit, a deed restriction, in a form satisfactory to the City Attorney, shall be recorded with the County Recorder to evidence and give notice of the requirements of this section.

(D) The City shall not require the correction of a legal, nonconforming zoning conditions for approval of a junior accessory dwelling unit.

SUMMARY OF THE PROPOSED CHANGES

This ordinance was adopted in response to the various State laws that took effect on January 1, 2020. Provisions in these laws had modified or otherwise eliminated several local controls on accessory dwelling unit and junior accessory dwelling unit. Amongst the changes that affect the City are the following:

1. Reduce the ADU/JADU processing time from 120 days to 60 days.
2. Allow a JADU in addition to an ADU within a single-family parcel.
3. Increase the number of ADUs allowed in a multi-family development.
4. Establish less stringent development standard for ADU.
5. Eliminate an owner occupancy requirement.
6. Allow the conversion of existing garages without any replacement parking.

1. Reduce the ADU/JAU processing time

Existing City's Code	New State's Law	Proposed City's Code
Director of Planning and Development to ministerially approve or deny a permit application within 120 days.	Local agency to ministerially approve or deny a permit application within 60 days.	Director of Planning and Development to ministerially approve or deny a permit application within 60 days.

2. Allow a JADU in addition to an ADU

Existing City's Code	New State's Law	Proposed City's Code
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One accessory dwelling unit OR one junior accessory dwelling unit per lot with a proposed or existing single-family dwelling.	One accessory dwelling unit AND one junior accessory dwelling unit per lot with a proposed or existing single-family dwelling.	One accessory dwelling unit AND one junior accessory dwelling unit per lot with a proposed or existing single-family dwelling.
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3. Increase the number of ADUs allowed in a multi-family development

Existing City's Code	New State's Law	Proposed City's Code
One accessory dwelling unit per lot with a proposed or existing multi-family dwelling.	A local agency shall allow at least one accessory dwelling unit within an existing multifamily dwelling and shall allow up to 25 percent of the existing multifamily dwelling units.	On a lot with a multifamily dwelling structure, owner may convert existing unhabitable spaces into accessory dwelling units up to 25 percent of the number of existing units.

4. Establish additional development standard for ADU

Existing City's Code	New State's Law	Proposed City's Code
<p>Setback: Same standards as accessory structure.</p> <p>Height: Depends on the primary zone</p> <p>Floor Area.: Detached: Maximum 640</p> <p>Attached: 50% of the primary dwelling</p> <p>Design Standard: None</p> <p>Mandatory Approval: None</p>	<p>Setback: Prohibit local agency to require a setback of no more than 4 feet for an accessory dwelling unit.</p> <p>No setback shall be required for an existing permitted living area or accessory structure or a structure constructed in the same location and to the same dimensions as an existing structure that is converted to an accessory dwelling unit or to a portion of an accessory dwelling unit.</p>	<p>Setback: Minimum 4 feet set back from all property line.</p> <p>Height: maximum 16 feet</p> <p>Floor Area: Maximum 850 sq. ft. or 1,000 sq. ft. if the ADU contains more than one bedroom.</p> <p>If there is an existing primary dwelling, the total floor area of an attached accessory dwelling unit shall not exceed 50 percent of the</p>

	<p>Height: none</p> <p>Floor Area.: Prohibit a local agency from establishing a maximum square footage requirement for either an attached or detached accessory dwelling unit that is less than 850 sq. ft., and 1,000 sq. ft. if the accessory dwelling unit contains more than one bedroom.</p> <p>Minimum 150 sq. ft. per dwelling</p> <p>Design Standard: None</p> <p>Mandatory Approval: All residential lot must be permitted for an 800 sq. ft. ADU that is at least 16 feet in height with four-foot side and rear yard setbacks</p>	<p>existing primary dwelling.</p> <p>Minimum 150 sq. ft. per dwelling</p> <p>Design Standard: § 155.644(E), apply when feasible.</p> <p>Mandatory Approval: Notwithstanding any other provision of this chapter, the City shall ministerially approve an application that meet all criteria under § 155.644(F)</p>
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5. Eliminate owner occupancy requirement

Existing City's Code	New State's Law	Proposed City's Code
Require owner occupancy for either dwelling unit.	A local agency shall not require owner occupancy for ADU created between January 1, 2020 to January 1, 2025	No owner occupancy requirement for ADU created between January 1, 2020 to January 1, 2025

6. Allow conversion of existing garages without any replacement parking

Existing City's Code	New State's Law	Proposed City's Code
Must replace existing garage parking when converting an existing garage into an ADU.	A local agency shall allow conversion of existing garages without any replacement parking.	Allow conversion of existing garages without any replacement parking.

GENERAL PLAN CONSISTENCY

The amendments are consistent with the objectives, principles, and standards of the General Plan. The following table (Table 1) illustrates how the proposed Zoning Text Amendment will be consistent with the goals and policies of the General Plan.

Table 1
General Plan Consistency Analysis

<u>Element</u>	<u>Policy</u>	<u>Project Consistency</u>
<u>Housing</u>	Goal 2: Promote the continued availability of a range of housing types to meet the needs of existing and future residents.	Consistent: The proposed Zoning Text Amendment will help promote the production of accessory dwelling units by streamlining the permitting process for accessory dwelling

		unit.
	Policy 2.3: Continue to provide flexibility in the density and mix of land uses through the Planned Development overlay and encourage the development of higher density, affordable housing in this zone.	Consistent: The proposed Zoning Text Amendment will provide the opportunity for homeowners to construct an accessory dwelling unit and a junior accessory dwelling unit on all residential zones.

LEGAL NOTICE OF PUBLIC HEARING

Planning Commission

This matter was set for Public Hearing in accordance with the requirements of Section 65090 and 65091 of the State Planning, Zoning, and Development laws and the requirements of Sections 155.860 through 155.864 of the City's Municipal Code.

The legal notice was posted in Santa Fe Springs City Hall, the City Library, and City's Town Center kiosk on January 30, 2020 and published in a newspaper of general circulation (Whittier Daily News) on January 30, 2020 as required by the State Zoning and Development Laws and by the City's Zoning Regulations.

City Council

This matter was set for Public Hearing in accordance with the requirements of Section 65090 and 65091 of State Planning, Zoning and Development Laws and requirements of Section 155.860 through 155.864 of the City's Municipal Code.

This legal notice was posted Santa Fe Springs City Hall and City's Town Center on May 21, 2020, and published in a newspaper of general circulation (Whittier Daily News) on May 21, 2020, as required by the State Zoning and Development Laws and by the City's Zoning Ordinance. As of the date of this report, staff has not received any comments and/or inquiries regarding the proposed project.

Meeting

It should be noted that due to the COVID-19 outbreak, Governor Newsome issued Executive Order N-25-20 on March 4, 2020 to temporarily suspend requirements of the Brown Act, which allows the City to hold public meetings via teleconferencing and to make public meeting accessible telephonically or otherwise electronically to all members of the public. All public notices thus also clarified that the upcoming City Council meeting will be held by teleconference since City Hall, including Council Chambers, is currently closed to the public.

The following link to the Zoom meeting, along with the meeting ID, password,

and dial in information were also provided:

Electronically using Zoom

Go to Zoom.us and click on “Join A Meeting” or use the following link:

<https://zoom.us/j/521620472?pwd=U3cyK1RuKzY1ekVGZFdKQXNZVzh4Zz09>

Zoom Meeting ID: 521620472

Password: 659847

Telephonically

Dial: 888-475-4499

Meeting ID: 521620472

ENVIRONMENTAL DOCUMENT

Upon review of the proposed project, staff finds the project meets the criteria for a statutory exemption pursuant to California Environmental Quality Act (CEQA), Section 15282(h), which reads as follows, “The adoption of an ordinance regarding second units in a single-family or multifamily residential zone by a city or county to implement the provisions of Sections 65852.1 and 65852.2 of the Government Code as set forth in Section 21080.17 of the Public Resources Code.” Therefore, no additional environmental analysis is necessary to meet the requirements of CEQA. If the City Council agrees, staff will file a Notice of Exemption (NOE) with the Los Angeles County Clerk within 5 days after City Council approve the proposed Zone Text Amendment (second reading).

LEGAL REVIEW

The City Attorney has reviewed the proposed Zoning Text Amendment. Comments are reflected in the proposed Ordinance.


Raymond R. Cruz
City Manager

Attachment:

1. Proposed Ordinance No. 1110

Attachment 1

CITY OF SANTA FE SPRINGS

ORDINANCE NO. 1110

AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS AMENDING SECTIONS 155.003 (DEFINITIONS), 155.644 (ACCESSORY DWELLING UNITS) AND 155.644.1 (JUNIOR ACCESSORY DWELLING UNITS) OF CHAPTER 155 (ZONING) OF TITLE 15 (LAND USE) OF THE SANTA FE SPRINGS MUNICIPAL CODE RELATING TO THE CONSTRUCTION OF ACCESSORY DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS IN A-1, LIGHT AGRICULTURAL; R-1, SINGLE-FAMILY RESIDENTIAL; AND R-3, MULTI-FAMILY RESIDENTIAL, ZONES.

WHEREAS, effective January 1, 2020, Government Code sections 65852.2 and 65852.22 relating to accessory dwelling units and junior accessory dwelling units were amended; and

WHEREAS, the California State legislature adopted more than eighteen housing bills in 2019 related to housing; and

WHEREAS, in order to encourage the construction of accessory dwelling units and junior dwelling units, the State Legislature has provided additional amendments to Government Code section 65852.2 and section 65852.22; and

WHEREAS, the new State laws relating to accessory dwelling units and junior accessory dwelling units took effect on January 1, 2020 and the City must adopt a new compliant Ordinance to impose local control or otherwise must process applications for accessory dwelling units and junior accessory dwelling units using the State law requirements ; and

WHEREAS, on May 11, 2020, the Planning Commission of the City of Santa Fe Springs held a duly noticed public hearing, at which time it considered all evidence presented, whether written or oral; and

WHEREAS, after the close of the public hearing, the Planning Commission recommended that the City Council adopt this Ordinance; and

WHEREAS, on June 11, 2020, the City Council of the City of Santa Fe Springs held a duly noticed public hearing at which time it considered all evidence presented, whether written or oral; and

WHEREAS, this ordinance is exempt from review under the California Environmental Quality Act (CEQA); California Public Resources Code Section 2100 et seq.) and CEQA regulations (Title 14, California Code of Regulations Section 15000, et seq.) pursuant to Section 15282(h) because this ordinance is covered by a statutory exemption for the adoption of an ordinance regarding

accessory dwelling units to implement the provisions of Section 65852.1 and 65852.2 of the Government Code; and

WHEREAS, the City desires to amend its regulations to comply with State law and retain some of its local standard.

THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby finds that the proposed amendments to the text of the City's Zoning Ordinance is consistent with the City's General Plan.

SECTION 2. The City Council hereby finds this Ordinance is exempt from CEQA pursuant to CEQA Guidelines section 15282(h) which provides a statutory exemption for the adoption of an ordinance regarding accessory dwelling units to implement the provisions of Section 65852.1 and 65852.2 of the Government Code. As the standards of Government Code section 65852.22 relating to junior accessory dwelling units are incorporated into Government Code 65852.2, this exemption covers junior accessory dwelling units as well. Regardless of whether the City adopts this Ordinance, accessory dwelling units and junior accessory dwelling units must be allowed in the City in accordance with the standards set forth in State statute. Therefore, this Ordinance is categorically exempt under California Public Resources Code Section 2100 et seq. and the statutory exemption of CEQA Guidelines section 15282(h) which provides that CEQA does not apply where a city or county adopt an ordinance regarding second units in a single-family or multifamily residential zone.

SECTION 3. Section 155.003 of Title 15, Chapter 155 of the Santa Fe Springs Municipal Code is hereby amended and added to as follows:

§ 155.003 ACCESSORY DWELLING UNITS.

ACCESSORY DWELLING UNIT. Either a detached or attached dwelling unit which provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking and sanitation. An accessory dwelling unit may also be located within an existing or proposed primary dwelling unit. An ***ACCESSORY DWELLING UNIT*** also includes the following:

- (1) An efficiency unit, as defined in Cal. Health and Safety Code § 17958.1.
- (2) A manufactured home, as defined in California Health and Safety Code § 18007.

ACCESSORY DWELLING UNIT, JUNIOR. A junior accessory dwelling unit is a unit that is no more than 500 square feet in size and contained entirely within a single-family residence.

SECTION 4. Section 155.644 of Title 15, Chapter 155 of the Santa Fe Springs Municipal Code is hereby amended and added to as follows:

§ 155.644 ACCESSORY DWELLING UNITS.

(A) *Intent.* In enacting this section, it is the intent of the city to encourage the provision of accessory dwelling units to meet a variety of economic needs within the city and to implement the goals, objectives, and policies of the housing element of the general plan. Accessory dwelling units provide housing for extended family members, students, the elderly in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods. Homeowners who create accessory dwelling units can benefit from added income, and an increased sense of security. Allowing accessory dwelling units in residential zones provides needed additional rental housing. This section provides the requirements for the establishment of accessory dwelling units consistent with Cal. Government Code § 65852.2.

(B) *Interpretation.* In cases of conflict between this section and any other provision of this title, the provisions of this section shall prevail. To the extent that any provision of this section is in conflict with State law, the mandatory requirement of State law shall control, but only to the extent legally required.

(C) *Applications:*

(1) *Administrative Review:* All accessory dwelling unit applications shall be ministerially approved by the Director of Planning and Development and a permit issued within 60 days upon presentation of a complete application to build an accessory dwelling unit if the plans conform to the standards and criteria provided in subsection (D) and (E) of this section. If the accessory dwelling unit is being proposed in conjunction with a new single-family dwelling, the Director may delay acting on the permit application until the City acts on the permit application for the new single-family dwelling. The City shall grant a delay if requested by the applicant.

(2) *Fees:* Applications for an accessory dwelling unit shall be accompanied by an application fee and shall be subject to applicable inspection and permit fees.

(D) *Accessory dwelling unit standards.* The following standards and criteria shall apply to the creation of an accessory dwelling unit:

(1) The accessory dwelling unit shall be allowed only on a lot or parcel that zoned for residential use with an existing or proposed residential dwelling.

(2) There shall not be more than one accessory dwelling unit per lot or parcel, except as provided for in subsection F(1)(a).

(3) An accessory dwelling unit that conforms to the development standards of this section is deemed to be an accessory use and/or structure and

will not be considered to exceed the allowable density for the lot upon which it is located and shall be deemed to conform to the zoning and General Plan.

(4) The accessory dwelling unit may be attached to or detached from the primary residential dwelling or located within an existing or proposed single-family residence.

(5) Floor Area Standards:

(a) The detached or attached accessory dwelling unit with one or less bedroom shall not exceed a total floor area of 850 square feet.

(b) The detached or attached accessory dwelling unit with more than one bedroom shall not exceed a total floor area of 1,000 square feet.

(c) If there is an existing primary dwelling, the total floor area of an attached accessory dwelling unit shall not exceed 50 percent of the existing primary dwelling.

(d) The minimum floor area for an accessory dwelling unit shall be 150 square feet.

(6) Setback Standard:

(a) The accessory dwelling unit shall comply with the front setback standard applicable to the specific zone in which it is located, unless otherwise modified by this section.

(b) The accessory dwelling unit shall be set back no less than four feet from the side and rear property line.

(c) Notwithstanding any other provision of this section, no setback shall be required for an existing permitted living area or accessory structure or a structure constructed in the same location and to the same dimensions as an existing structure that is converted to an accessory dwelling unit or to a portion of an accessory dwelling unit. A setback of no more than four feet from the side and rear lot lines shall be required for an accessory dwelling unit that is not converted from an existing structure or a new structure constructed in the same location and to the same dimensions as an existing structure.

(7) The accessory dwelling unit shall not be greater than 16 feet in height.

(8) The attached or detached accessory dwelling unit shall be located within, to the rear, or to the side of the existing or proposed primary residence unless the accessory dwelling unit is being constructed in the exact location and to the same dimensions as a previously existing approved accessory structure, including an attached or detached garage.

(9) The accessory dwelling unit shall comply with all building, safety, fire and health codes, and all other applicable laws and regulations. Accessory dwelling units are not required to provide fire sprinklers if sprinklers are not required for the primary dwelling unit.

(10) Manufactured housing is allowed in compliance with the provisions herein and Health and Safety code section 18007; however, mobile homes, trailers and recreational vehicles shall not be used as accessory dwelling units.

(11) In addition to all other required off-street parking, parking requirements for accessory dwelling units shall not exceed one space per unit. Parking may also be located in setback areas in locations determined by the city or through tandem parking, unless specific findings are made that such parking is infeasible based upon specific site or regional topographical or fire and life safety conditions, or that it is not permitted anywhere else in the city. Mechanical parking lifts may also be used for replacement parking.

(12) When a garage, carport, or covered parking structure is demolished in conjunction with the construction of or conversion to an accessory dwelling unit, no replacement parking shall be required. Additionally, no parking shall be required for an accessory dwelling unit in any of the following instances:

(a) The accessory dwelling unit is located within one-half mile walking distance of public transit.

(b) The accessory dwelling unit is located within an architecturally and historically significant historic district.

(c) The accessory dwelling unit is part of the existing primary residence or an existing permitted accessory structure.

(d) When on-street parking permits are required but has not offered to the occupant of the accessory dwelling unit.

(e) When there is a car share vehicle located within one block of the accessory dwelling unit.

(13) The owner of the property on which the accessory dwelling unit is located shall reside in either of the dwelling units on the property as his/her/their principal residence. This is a perpetual requirement that runs with the land, and a restrictive covenant establishing this requirement shall be recorded prior to occupancy of the accessory dwelling unit. This provision shall not apply to an accessory dwelling unit approved between January 1, 2020 and January 1, 2025.

(14) The accessory dwelling unit and the primary residential dwelling may be rented concurrently provided that the term of the rental is at least 31 days or more, but the accessory dwelling unit shall not be sold or owned separately from the primary dwelling.

(15) Accessory dwelling units shall not be considered new residential uses for the purposes of calculating local agency connection fees or capacity charges for utilities, including water and sewer service.

(a) For attached units or units located within the living area of the existing dwelling and meeting the definition of subdivision (F)(1)(a) below, the city shall not require the applicant to install a new or separate utility connection between the accessory dwelling unit and the utility or impose a related connection fee or capacity charge. Such requirements and charges may be imposed when the accessory dwelling unit is being constructed in connection with a proposed single-family residential dwelling.

(b) For all other accessory dwelling units other than those described in subdivision (D)(16)(a) below, the city may require a new or separate utility connection directly between the accessory dwelling unit and the utility. The connection fee or capacity charge shall be proportionate to the burden of the proposed accessory dwelling unit upon the water or sewer system based upon either its size or the number of its plumbing fixtures, and may not exceed the reasonable cost of providing the water or sewer service.

(16) Impact Fees:

(a) No impact fee shall be imposed on any accessory dwelling unit less than 750 square feet in size.

(b) For accessory dwelling units 750 square feet or greater, impact fees shall be charged proportionately in relation to the square footage of the primary dwelling.

(c) All applicable public service and recreation impact fees shall be paid prior to occupancy in accordance with Government Code sections 66000 et seq. and 66012 et seq.

(d) For purposes of this section, "impact fee" shall have the same meaning as set forth in Government Code section 65852.2(f).

(17) The provisions of this section shall not apply to any accessory dwelling units for which the city issued conditional use permits prior to the effective date of this section.

(18) Prior to obtaining a building permit for the accessory dwelling unit, a deed restriction, in a form satisfactory to the City Attorney, shall be recorded with the County Recorder to evidence and give notice of the requirements of this section.

(E) *Design Standards.*

(1) The accessory dwelling unit shall be designed to be architecturally compatible with the primary dwelling. A site plan, elevations and floor plan depicting said architectural compatibility shall be submitted to the Director of Planning and Development for ministerial review and approval prior to the issuance of any building permits.

(2) When feasible, windows facing an adjoining residential property shall be designed to protect the privacy of neighbors. If window placement does not protect privacy, then fencing or landscaping might be used to provide screening.

(3) An accessory dwelling unit shall have a separate exterior entrance from the primary dwelling unit.

(4) To the maximum extent feasible, the accessory dwelling unit shall not alter the appearance of the primary single-family dwelling unit.

(5) When feasible, no more than one exterior entrance on the front or on any street-facing side of the primary dwelling unit and accessory dwelling unit combined.

(6) No exterior stairway shall be located on the front or on any street-facing side of the accessory dwelling unit.

(F) Mandatory Approvals.

(1) Notwithstanding any other provision of this chapter, the City shall ministerially approve an application for any of the following accessory dwelling units within a residential or mixed-use zone:

(a) A junior or accessory dwelling unit within the existing or proposed space of a single-family dwelling or accessory structure subject to the following requirements:

(i) An expansion of up to 150 square feet shall be allowed in an accessory structure that is converted to an ADU solely for the purposes of accommodating ingress and egress.

(ii) The junior or accessory dwelling unit shall have exterior access separate from the existing or proposed single-family dwelling.

(iii) The side and rear setbacks shall be sufficient for fire and building and safety.

(iv) If the unit is a junior accessory dwelling unit, it shall comply with the requirements of Section 155.644.1 below.

(b) One detached or attached accessory dwelling unit subject to the following requirements:

(i) The accessory dwelling unit shall be set back no less than four feet from the side and rear property line.

(ii) The accessory dwelling unit shall be on a lot or parcel with an existing or proposed single-family dwelling.

(iii) The accessory dwelling unit shall not exceed 800 square feet in size.

(iv) The accessory dwelling unit shall not exceed 16 feet in height.

(v) A junior accessory dwelling unit may be developed with this type of detached accessory dwelling unit, it shall comply with all requirements of Section 155.644.1 below.

(c) On a lot with a multifamily dwelling structure, up to 25 percent of the total multifamily dwelling units, but no less than one unit, shall be allowed within the portions of the existing structure that are not used as livable space, including, but no limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages, provided that each unit complies with state building standards for dwellings.

(d) On a lot with a multifamily dwelling structure, up to two detached units, provided that neither unit is greater than 16 feet in height, is provided with at least a four foot side and rear yard setback. The maximum square footage shall comply with the limits set forth in subsection D (5) of this section.

(2) For those accessory dwelling units which require mandatory approval, the City shall not require the correction of legal, nonconforming zoning conditions.

(G) *Enforcement.* Until January 1, 2030, the City shall issue a statement along with a notice to correct a violation of any provision of any building standard relating to an accessory dwelling unit that substantially provides as follows:

(1) You have been issued an order to correct violations or abate nuisances relating to your accessory dwelling unit. If you believe that this correction or abatement is not necessary to protect the public health and safety you may file an application with the City Planning Department. If the City determines that enforcement is not required to protect the health and safety, enforcement shall be delayed for a period of five years from the date of the original notice.

(2) This provision shall only apply if the accessory dwelling unit was built before January 1, 2020 and after July 25, 2020.

SECTION 5. Section 155.644.1 of Title 15, Chapter 155 of the Santa Fe Springs Municipal Code is hereby amended and added to as follows:

§ 155.644.1 JUNIOR ACCESSORY DWELLING UNITS.

(A) *Intent.* In enacting this section, it is the intent of the city to encourage the provision of junior accessory dwelling units to meet a variety of economic needs within the city and to implement the goals, objectives, and policies of the housing element of the general plan. Junior accessory dwelling units provide housing for extended family members, students, the elderly in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods. Homeowners who create junior accessory dwelling units can benefit from added income, and an increased sense of security. Allowing junior accessory dwelling units in residential zones provides needed additional rental housing. This section provides the requirements for the establishment of junior accessory dwelling units consistent with Cal. Government Code § 65852.22.

(B) *Administrative review.* All junior accessory dwelling unit applications shall be ministerially approved by the Director of Planning and Development and a permit issued within 60 days upon presentation of a complete application to provide a junior accessory dwelling unit if the plans conform to the standards and criteria provided in division (C) and (D) of this section. If the junior accessory dwelling unit is being proposed in conjunction with a new single-family dwelling, the Director may delay acting on the permit application until the City acts on the permit application for the new single-family dwelling. The City shall grant a delay if requested by the applicant.

(C) Junior accessory dwelling unit standards. The following standards and criteria shall apply to the creation of a junior accessory dwelling unit:

(1) A maximum of one junior accessory dwelling unit shall be permitted per residential lot containing an existing or proposed single-family dwelling. Junior accessory dwelling units do not count towards the density requirements of the general plan or zoning ordinance.

(2) The property owner shall occupy either the main single-family dwelling or the junior accessory dwelling unit.

(3) The junior accessory dwelling unit or the main single-family dwelling may be rented, provided the rental term is at least 31 days or more, but the junior accessory dwelling unit shall not be sold or owned separately from the single-family dwelling.

(4) The junior accessory dwelling unit must be created within the existing walls of an existing single-family dwelling.

(5) The junior accessory dwelling unit shall not exceed 500 square feet in size.

(6) The junior accessory dwelling unit shall include a separate exterior entrance from the main entrance to the single-family home. An interior entry to the main living area shall be required if the junior accessory dwelling unit shares sanitary facilities with the single-family home. The junior accessory dwelling unit may include a second interior doorway for sound attenuation.

(7) The junior accessory dwelling unit shall include a food preparation area, requiring and limited to the following components:

(a) A cooking facility with appliances; and

(b) A food preparation counter and storage cabinets which do not exceed six feet in length.

(8) No additional off-street parking is required beyond that required for the main single-family dwelling.

(9) Utility service. A separate water connection or meter, and a separate sewer service connection are not required for a junior accessory dwelling unit. Water and sewer service for the junior accessory dwelling unit is shared with the main single-family dwelling unit.

(10) The junior accessory dwelling unit shall comply with all applicable building standards and shall be subject to permit and inspection fees to ensure such compliance. Fire sprinklers shall be required if they are required in the existing or proposed single-family residence.

(11) For the purposes of applying any fire or life protection ordinance or regulation, or providing service water, sewer, or power, including a connection fee, a junior accessory dwelling unit shall not be considered to be a separate or new dwelling unit.

(12) Prior to obtaining a building permit for the junior accessory dwelling unit, a deed restriction, in a form satisfactory to the City Attorney, shall be recorded with the County Recorder to evidence and give notice of the requirements of this section.

(D) The City shall not require the correction of a legal, nonconforming zoning conditions for approval of a junior accessory dwelling unit.

SECTION 6. Effective Date. This Ordinance shall take effect on the thirty-first day after passage.

SECTION 7. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Ordinance, or any part thereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Ordinance or of Chapter 155, or any part thereof. The City Council hereby declares that it would have adopted each section subsection, subdivision, paragraph, sentence, clause or phrase in this Ordinance irrespective of the fact that any one or more sections, subsections, subdivision, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION 8. The City Clerk shall certify to the adoption of this Ordinance, and shall cause the same to be posted in at least three (3) public places in the City, such posting to be completed not later than fifteen (15) days after passage thereof.

Except as amended above, all other provisions of the Zoning Regulation in the City Code shall remain in full force and effect.

PASSED and ADOPTED this ____ day of _____, 2020, by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

William Rounds, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk



City of Santa Fe Springs

City Council Meeting

ITEM NO. 10

June 25, 2020

NEW BUSINESS

Landscape Maintenance Services: Approval of Contract Amendment Three

RECOMMENDATION

- Approve Contract Amendment Three extending contract with Complete Landscape Care, Inc. to July 31, 2020; and
- Authorize the Mayor to execute Amendment Three.

BACKGROUND

At the June 11, 2020, Council meeting, City staff received direction to negotiate with both Complete Landscape Care, Inc. (Complete) and Merchants Landscape Services, Inc. (Merchants) to provide landscape maintenance services. City staff has met with both Complete and Merchants. However, additional time is required to properly evaluate the proposals from both parties before Complete's contract's expiration on June 30, 2020. Therefore, staff recommends extending the contract with Complete for one month, to July 31, 2020. City staff anticipates bringing this item to the July 9, 2020, Council meeting.

Complete has agreed to continue performing the landscape services under the same terms and conditions and with the same monthly price of \$79,368.48.

LEGAL REVIEW

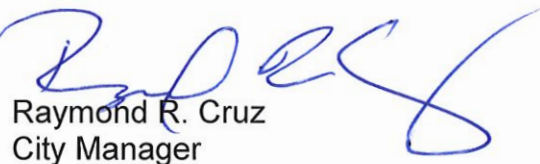
The City Attorney's office has reviewed the Amendment Number Three.

FISCAL IMPACT

The Public Works Operations and Maintenance Budget includes the cost of the annual Landscape Services. The monthly amount of \$79,368.48 is approximately \$4,386 higher than the budgeted amount for next fiscal year. However, the change is not significant, as long as it remains for only a month.

INFRASTRUCTURE IMPACT


The maintenance of the City's landscape and hardscape is vital to the residents' and businesses' safety, welfare and overall quality of life. This activity is also necessary to protect the City's assets including parks, parkettes, medians, parkways and facilities.


Raymond R. Cruz
City Manager

Attachments:

Attachment No. 1: Amendment Three

Report Submitted By: Noe Negrete
Director of Public Works

 Date of Report: June 18, 2020

**THE CITY OF SANTA FE SPRINGS
LANDSCAPE MAINTENANCE SERVICES AGREEMENT
AMENDMENT NUMBER THREE**

This Amendment Number Three ("Amendment") to the Landscape Maintenance Services Agreement ("Agreement") dated July 1, 2016, by and between Complete Landscape Care, Inc., a California corporation ("Contractor"), and the City of Santa Fe Springs, a municipal corporation ("City"), is entered into by the parties with an effective date of June 25, 2020.

1. The parties agree to extend the term of the Agreement for one month from the current term ending on June 30, 2020. The term of the Agreement is extended through July 31, 2020. Contractor's compensation from July 1, 2020 through July 31, 2020 shall be \$79,368.48.

2. Except as amended herein, the terms and provisions of the Agreement shall remain in full force and effect.

The parties have caused this Amendment to be executed by and through their respective authorized officers.

CITY OF SANTA FE SPRINGS

COMPLETE LANDSCAPE CARE, INC.

William K. Rounds, Mayor

Thomas C. Murray, President/Owner

Date

Date



City of Santa Fe Springs

City Council Meeting

ITEM NO. 11

June 25, 2020

NEW BUSINESS

Resolution No. 9683 - Authorizing the Publication of Notice to Sell a Franchise to Park Water Company for Maintenance and Operation of Pipelines in City Streets

RECOMMENDATION

- Approve Resolution No. 9683 setting the date of July 23, 2020 for the public hearing on the granting of a franchise to Park Water Company.

BACKGROUND

Park Water Company is a private water purveyor that operates pipelines within the City of Santa Fe Springs. The area presently being served by Park Water Company is properties along Firestone Boulevard from Bloomfield Avenue to the west of Carmenita Road and Shoemaker Avenue from Firestone Boulevard to Excelsior Drive. Park Water Company has requested a renewal of their existing franchise with the City to continue operating their pipelines in the City and provide water service to specific properties within the City not served by the City of Santa Fe Springs Municipal Water System. Park Water Company was first granted a 25-year franchise in the City per Ordinance No. 613 approved by the City Council on March 13, 1982. This franchise was renewed per Ordinance 9248 in July 2010 and will expire on July 6, 2020.

After reviewing Park Water Company's previous franchise, City staff is proposing to grant them a similar franchise incorporating the City's latest requirements:

1. The City reserves the right to revise the annual franchise fee following one year's written notice to Park Water Company.
2. The term of the franchise will be ten (10) years.
3. Annual franchise fee of 2% of gross annual receipts.
4. Park Water Company shall pay to the City the franchise application fee of \$4,670.
5. The proposed franchise provides for the method of abandonment of pipelines and the payment of a fee to the City of one-half the estimated cost of removal.
6. Park Water Company shall maintain an insurance policy at all times with minimum liability coverage of \$1,000,000 and also name the City as additional insured.

FISCAL IMPACT

None.

Report Submitted By:

Noe Negrete
Director of Public Works

A handwritten signature in blue ink, appearing to be "N. Negrete", is written over the printed name and title.

Date of Report: June 18, 2020

INFRASTRUCTURE IMPACT

The Park Water Company franchise includes provisions for the removal or relocation of their facilities at their cost in the event of any change or grade, alignment or width of any street or the construction of any sewer, water, storm drain pipeline or other improvement initiated by the City of Santa Fe Springs.



Raymond R. Cruz
City Manager

Attachments:

Attachment No. 1: Resolution No. 9683

RESOLUTION NO. 9683

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA CAUTHORIZING THE PUBLICATION OF NOTICE TO GRANT A FRANCHISE FOR A PERIOD OF 10 YEARS, TO CONSTRUCT, MAINTAIN, OPERATE, RENEW, REPAIR, CHANGE THE SIZE OF, REMOVE AND/OR ABANDON IN PLACE PIPELINES FOR THE TRANSPORTATION OF WATER, TOGETHER WITH ALL MANHOLES, VALVES, COMMUNICATION CABLES, APPURTENANCES AND SERVICE CONNECTIONS USED IN CONNECTION THEREWITH, NECESSARY OR CONVENIENT FOR THE OPERATION OF SUCH LINES, IN, UNDER, ALONG AND ACROSS ANY AND ALL PUBLIC STREETS, ALL ALLEYS AND HIGHWAYS NOW OR HEREAFTER DEDICATED TO PUBLIC USE IN THE CITY OF SANTA FE SPRINGS (PARK WATER COMPANY)

THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES RESOLVE AS FOLLOWS:

WHEREAS, PARK WATER COMPANY, a corporation has made application to the City Council of the City of Santa Fe Springs for a franchise more particularly described in the "Notice of Grant of Franchise" hereinafter set forth:

NOW, THEREFORE, BE IT RESOLVED that the City Council propose to grant said franchise in the manner provided by law, substantially in the form and upon the terms and conditions hereinafter set forth in the "Notice of Grant of Franchise;"

BE IT FURTHER RESOLVED that the City Clerk of the City of Santa Fe Springs is hereby, authorized and directed to publish the following Notice of Grant of Franchise in a newspaper of general circulation within the City at least once within fifteen (15) days after the passage of this resolution, substantially in the following form, to wit:

NOTICE OF GRANT OF FRANCHISE

NOTICE IS HEREBY GIVEN that an application has heretofore been made to the City Council of the City of Santa Fe Springs, State of California, by PARK WATER COMPANY, a corporation, for the franchise hereinafter described, and it is proposed by said City Council to grant said application on the terms and conditions hereinafter mentioned.

Said franchise is described and will be granted substantially in the following form:

The franchise is hereby granted to PARK WATER COMPANY, a corporation, its successors and assigns, for a period of ten (10) years, to construct, maintain, operate, renew, repair, change the size of, remove and/or abandon in place pipelines for the transportation of water, together with all manholes, valves, communication cables, appurtenances and service connections used in connection therewith, necessary or convenient for the operation of such lines, in, under, along and across any and all public

streets, alleys and highways now or hereafter dedicated to public use in the City of Santa Fe Springs.

The grantee shall, during the life of this franchise, pay to the City of Santa Fe Springs, in lawful money of the United States, and in the manner provided by law, an annual franchise fee of two percent (2%) of the gross annual receipts of the Grantee arising from the use, operation or possession of the franchise; provided, however, that such payment shall in no event be less than one percent (1%) of the gross annual receipts of the Grantee derived from the sale of water within the limits of the City. Any neglect, omission or refusal by said Grantee to pay said percentage, the Grantee shall pay a late charge of ten percent (10%) of the amount due, said ten percent (10%) being due on the forty-fifth (45th) day after the due date. In the event full payment of any rate, payment or fee including the ten percent (10%) late charge is not received within ninety (90) days after the due date, an assessment of interest shall accrue on the unpaid balance at one percent (1%) per month beginning on the ninety-first date after the due date.

The City reserves the right, upon one year's written notice to the Grantee to revise the foregoing annual franchise fee to any fee or fee basis which is then allowable under the laws of the State of California and of the City. If the franchise fee as determined by the City is unacceptable to Grantee, Grantee shall have the right, upon six months advance written notice to City, to terminate this franchise. Any such change shall be prospective in operation.

Abandonment of pipelines shall be done according to City specifications. Said specifications shall include that all pipes, valves, etc., shall be removed, ends shall be plated after filling pipes with slurry sand, and a fee of one-half (1/2) the estimated cost of removal shall be paid to the City of Santa Fe Springs. The franchise holder shall then have no further responsibility for the abandoned facilities, nor shall Grantee pay any annual fees for such facilities. If these conditions are not satisfied, the proposed abandoned facilities shall be considered as being deactivated and shall remain the responsibility of the Grantee and shall remain on their records and maps and the annual fees shall be paid. In the event that such payment is not made, the City Council of the City of Santa Fe Springs may declare said franchise forfeited and Grantee shall pay to the City all costs for removal of the pipelines and appurtenances.

This franchise will be issued subject to and pursuant to the provisions of Chapter 114 of the Santa Fe Springs City Code of Ordinances entitled "Franchises," except as otherwise specified herein. Said Chapter 114 shall be deemed to be a part of any franchise granted hereunder.

NOTICE IS HEREBY GIVEN that any person interested may make written protest, stating objections against the granting of the franchise, which written protest must be filed with the City Clerk not later than 6:00 o'clock p.m. on the 23rd day of July 2020. At the time abovementioned in the Council Chambers of the City Council of the City of Santa Fe Springs, the City Council shall proceed to hear and pass upon all protests so made.

Such franchise shall also be subject to the provisions of the Franchise Act of 1937 (Sections 6201, et seq. of the Public Utilities Code of the State of California).

Prior to the issuance of any excavation permit or the construction of any pipeline, the Grantee shall obtain approval from the Director of Public Works of the City. In granting or withholding such approval, the Director of Public Works shall take into consideration the following factors:

- (a) Whether or not the proposed route or location of the pipeline will create excessive problems during construction or during maintenance of said pipelines.
- (b) Traffic density along the proposed route.
- (c) The condition of existing pavement in the public right-of-way when pavement reconstruction is required for the installation of the proposed pipeline.
- (d) The density of population or structural development in the area through which the pipeline is proposed to be routed.
- (e) The extent of other subsurface structures in the vicinity of the proposed route.
- (f) The need for the City to install City facilities within the trench.

BY ORDER OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, DOES RESOLVE AND ORDER AS FOLLOWS:

APPROVED and ADOPTED this **25th** day of **June, 2020**.

William K. Rounds, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk



City of Santa Fe Springs

Council Meeting

ITEM NO. 12

June 25, 2020

NEW BUSINESS

Resolution No. 9674 – Adoption of Annual Appropriation (GANN) Limit for Fiscal Year 2020-21

RECOMMENDATION

Adopt Resolution No. 9674 setting the appropriation limit for Fiscal Year 2020-21 (roll call vote required).

BACKGROUND

As required by Article XIII B of the State Constitution, the City Council annually revises the appropriation limit for each upcoming fiscal year. The limit establishes the maximum amount of taxes the City is allowed to collect and appropriate. We recently received information regarding the various factors that we may use to adjust the appropriations limit for Fiscal Year 2020-21.

The limit is adjusted each year based on two categories of adjustments, changes in (1) cost of living and (2) population. Within each adjustment category there are two factors from which the City can choose in calculating the new limit.

For the cost of living adjustment, the law allows a choice between the following:

- The increase in California per capita income (3.73%)
- The percentage change in the local assessment roll due to the addition of non-residential new construction (32.83%)

For the population growth adjustment, the law allows a choice between the following:

- Los Angeles County population growth (decrease of 0.11%)
- The City of Santa Fe Springs' own population growth (decrease of 0.29%).

Using the most advantageous factors above (percentage change in the local assessment roll due to the addition of non-residential new construction and the change in population of the Los Angeles County), the City's appropriation limit for Fiscal Year 2020-21 is calculated to be \$2,590,871,335. The City's Fiscal Year 2020-21 budget subject to this limit is calculated at \$49,278,500.

The majority of California cities report appropriation limits well in excess of actual appropriations subject to the limit. For the City of Santa Fe Springs, the large excess of the limit over subject appropriations is primarily a result of the fact that the change in local assessment roll due to the addition of non-residential new construction ranged from 10.76% to 33.15% over the last 15 years.



City of Santa Fe Springs

Council Meeting

June 25, 2020

The appropriations limit, which seeks to cap increases in government spending, was established by the passage of Proposition 4 in 1979. The limit was put in place one year following the passage of Proposition 13 in 1978, which limited cities' ability to increase property tax revenue. Proposition 218, passed in November 1996, also limited cities' ability to implement or raise general-purpose taxes, assessments, and certain property-related fees without voter approval. Although the City has the capacity to increase spending under the appropriations limit restriction, the City's budget is constrained by limits on increasing revenues.

The appropriation limit calculation and appropriations subject to the limit are detailed in Exhibit A of Resolution No. 9674.

Raymond R. Cruz
City Manager

Attachment(s)

1. Resolution No. 9674 (including Exhibit A)
2. Adjustment factors information from the State of California and the County of Los Angeles

RESOLUTION NO. 9674

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS
ADOPTING THE ANNUAL APPROPRIATION LIMIT FOR THE FISCAL YEAR 2020-21**

WHEREAS, the City Council must annually adjust the appropriation limit based on either the change in the California per capita personal income or the percentage change in local assessment roll from the preceding year due to the addition of local non-residential construction in the City and either the City's own population growth or the population growth of the entire county; and

WHEREAS, the decision as to which of the options to select must be done by a recorded vote of the City Council;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS
DOES RESOLVE AS FOLLOWS:

Section 1: In calculating the appropriation limit, the City has utilized the percentage change in change in the local assessment roll due to the addition of non-residential new construction applicable to the fiscal year 2020-21 limit of 32.83%.

Section 2: In calculating the appropriation limit, the City has utilized the population growth factor for the Los Angeles County from January 1, 2019 to January 1, 2020 of (negative 0.11%).

Section 3: The appropriation limit for Fiscal Year 2020-21 is \$2,590,871,335 as calculated on Exhibit "A" attached hereto.

Section 4: The City reserves the right to change or revise any growth factors associated with the calculation of the appropriation limit in the present or future.

Section 5: The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this 25th day of June, 2020.

Mayor

ATTEST:

City Clerk

EXHIBIT A

CALCULATION OF APPROPRIATION LIMIT FISCAL YEAR 2020-21

	Amount
Fiscal Year 2019-20 Appropriation Limit	\$ 1,952,721,838
Adjustment Factor (Rounded to 4 Decimal Places)	1.3268 (A)
Adjustment	638,149,497
Fiscal Year 2020-21 Appropriation Limit	\$ 2,590,871,335 (B)

				Change
				% As a Ratio
Adjustment Factor Calculation:				
Adjustment for increase in non-residential new construction:	32.83%			1.3283
Adjustment for growth in County of Los Angeles population:	-0.11%			0.9989
Combined Adjustment Factor	1.3283	X	0.9989	1.3268 (A)

Appropriations Subject to the Limit (2020-21 Proposed Budget Figures):

Property Tax	\$ 3,600,000
Utility User's Tax	6,100,000
Sales & Use Tax	25,400,000
Transaction & Use Tax	10,270,000
Transient Occupancy Tax	149,000
Business Operations Tax	765,000
Property Transfer Tax	253,000
Barrel Tax	280,000
Vehicle in Lieu Tax	1,900,000
Interest (50% allocated to proceeds from taxes)	225,000
Public Safety Augmentation Fund	186,500
Supplemental Law Enforcement Services Fund	150,000
Total Appropriations Subject to the Limit	49,278,500
Appropriations Limit	2,590,871,335 (B)
Amount Under the Limit	\$ 2,541,592,835



JEFFREY PRANG
Assessor

OFFICE OF THE ASSESSOR
COUNTY OF LOS ANGELES

500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2770
assessor.lacounty.gov
(888) 807-2111



*Valuing People
and Property*

May 26, 2020

Ms. Lana Dich
Finance Manager
City of Santa Fe Springs
11710 Telegraph Rd.
Santa Fe Springs, CA 90670

Dear Ms. Dich:

Your agency, the City of Santa Fe Springs, in order to effect an adjustment of its Gann Limit, has requested that the Assessor's Office supply the percentage change in total assessed valuation for the city over that of the preceding year, due to nonresidential new construction.

For the City of Santa Fe Springs, the 2019-2020 net change in nonresidential new construction, applicable to the 2020-2021 budget, is 32.83%.

If we can be of further service, please call Kevin Quon at (213) 893-6838.

Sincerely,

Kevin Quon
Appraiser
Statistical Support

Enclosures

COUNTY OF LOS ANGELES - OFFICE OF THE ASSESSOR

Proposition 111 Analysis

Non-Residential New Construction (SE City Report) Current - 7/7/19		New Construction	Lesser Maintenance	Other Construction	Total New Construction
Commercial - Industrial	Authorizations	\$146,398,769	\$4,394,239	\$0	\$150,793,008
	Current	\$32,376,858	\$3,499,362	\$0	\$35,876,220
Other	Authorizations	\$3,366,576	\$0	\$0	\$3,366,576
	Current	\$33,590	\$0	\$0	\$33,590
Total New Construction		\$182,175,793	\$7,893,601	\$0	\$190,069,394
Add Fixtures (SV16 Report) Current - 6/30/19				\$550,298,635	
Less Fixtures (SV16 Report) Prior - 7/19/18				\$512,831,819	
Net Fixtures Adjustment					\$37,466,816
Net Increase in New Non-Res Construction from Prior Year					\$227,536,210
City Total (SV 16 Report)		Secured RE & PP Exemptions	Unsecured PP Exemption	Net Assessed Values	Total Assessed Values
Current Year - 6/30/19		\$38,549,143	\$243,167	\$8,578,607,805	\$8,617,400,115
Prior Year - 7/19/18		\$78,286,789	\$190,150	\$7,845,810,199	\$7,924,287,138
Net Increase in Local Assessment Roll From Prior Year					\$693,112,977
Percentage Increase Allowable = New Non-Res Growth / Total Roll Growth X 100			=		32.83%
Percentage Increase Allowable (without Fixtures)					27.42%

YEAR 2019-2020

AGENCY

City of Santa Fe Springs

AGENCY NO.

250.00

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2020-21 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2020-21	3.73

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2020-21 appropriation limit.

2020-21:

Per Capita Cost of Living Change = 3.73 percent
Population Change = 0.22 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.73 + 100}{100} = 1.0373$

Population converted to a ratio: $\frac{0.22 + 100}{100} = 1.0022$

Calculation of factor for FY 2020-21: $1.0373 \times 1.0022 = 1.0396$

Fiscal Year 2020-21

Attachment B
Annual Percent Change in Population Minus Exclusions*

January 1, 2019 to January 1, 2020 and Total Population, January 1, 2019

County City	Percent Change	--- Population Minus Exclusions ---		Total Population
	2019-2020	1-1-19	1-1-20	1-1-2020
La Canada Flintridge	-0.18	20,497	20,461	20,461
La Habra Heights	-0.16	5,470	5,461	5,461
Lakewood	-0.31	80,168	79,919	79,919
La Mirada	-0.27	49,007	48,877	48,877
Lancaster	0.10	157,174	157,338	161,699
La Puente	0.09	40,532	40,568	40,568
La Verne	0.03	33,289	33,300	33,300
Lawndale	-0.24	32,879	32,799	32,799
Lomita	-0.32	20,614	20,549	20,549
Long Beach	-0.12	472,730	472,140	472,217
Los Angeles	-0.06	4,010,280	4,007,960	4,010,684
Lynwood	-0.39	71,549	71,269	71,269
Malibu	-0.54	11,784	11,720	11,720
Manhattan Beach	-0.48	35,419	35,250	35,250
Maywood	-0.30	27,988	27,904	27,904
Monrovia	-0.06	37,956	37,935	37,935
Montebello	-0.31	63,742	63,544	63,544
Monterey Park	-0.34	60,943	60,734	60,734
Norwalk	-0.21	105,087	104,862	105,717
Palmdale	-0.24	157,117	156,737	156,737
Palos Verdes Estates	-0.30	13,230	13,190	13,190
Paramount	-0.19	55,569	55,461	55,461
Pasadena	0.11	144,686	144,842	144,842
Pico Rivera	-0.03	63,390	63,374	63,374
Pomona	0.09	154,675	154,817	154,817
Rancho Palos Verdes	-0.26	41,821	41,714	41,731
Redondo Beach	-0.24	67,154	66,994	66,994
Rolling Hills	-0.32	1,880	1,874	1,874
Rolling Hills Estates	0.39	8,035	8,066	8,066
Rosemead	0.30	54,198	54,363	54,363
San Dimas	-0.28	34,042	33,945	33,945
San Fernando	1.65	24,798	25,207	25,207
San Gabriel	-0.22	40,194	40,104	40,104
San Marino	-0.14	13,106	13,087	13,087
Santa Clarita	0.10	221,703	221,932	221,932
Santa Fe Springs	-0.29	18,303	18,250	18,295
Santa Monica	-0.13	92,480	92,357	92,357
Sierra Madre	-0.25	10,843	10,816	10,816
Signal Hill	-0.27	11,744	11,712	11,712
South El Monte	1.98	20,792	21,204	21,204

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2020-21

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2019 to January 1, 2020 and Total Population, January 1, 2019

County City	Percent Change 2019-2020	--- Population Minus Exclusions ---		<u>Total</u> <u>Population</u>
		1-1-19	1-1-20	1-1-2020
South Gate	-0.21	97,211	97,003	97,003
South Pasadena	-0.26	25,524	25,458	25,458
Temple City	0.14	36,098	36,150	36,150
Torrance	-0.26	145,922	145,546	145,546
Vernon	-0.34	298	297	297
Walnut	-0.16	29,977	29,929	29,929
West Covina	-0.30	106,313	105,999	105,999
West Hollywood	-0.36	36,335	36,203	36,203
Westlake Village	-0.18	8,227	8,212	8,212
Whittier	-0.31	87,073	86,801	86,801
Unincorporated	-0.50	1,038,938	1,033,771	1,034,689
County Total	-0.11	10,175,203	10,163,868	10,172,951

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.



City of Santa Fe Springs

City Council Meeting

ITEM NO. 13

June 25, 2020

NEW BUSINESS

Adoption of the City's Fiscal Year 2020-21 Operating Budget

RECOMMENDATION

Adopt the fiscal year 2020-21 City Budget as detailed in the proposed budget document and adjusted as discussed in this report, including the actions as set forth herein.

Introduction of the FY 2020-21 Proposed Budget

On June 11, 2020, City staff introduced the proposed fiscal year ("FY") 2020-21 budget to the City Council. As presented to the City Council, the COVID-19 pandemic will have profound financial impacts for the current fiscal year and the upcoming fiscal year. City staff anticipate ending FY 2019-20 with an operating surplus of approximately \$112,000, after making the budgeted one-time transfers. Prior to the pandemic, staff was expecting a \$2.4 million operating surplus in the General Fund for FY 2019-20.

Staff also presented the FY 2020-21 budget which included revenues totaling \$54.8 million and expenditures of \$56.7 million. The FY 2020-21 recommended budget has an estimated budget deficit of \$1.9 million. This budget deficit is primarily due to a 9% (or \$5.4 million) decline in the City's General Fund revenues and a \$1.2 million increase in CalPERS contributions (both normal cost and unfunded liability contributions).

Fortunately, the City's reserve levels are approximately 40% of the operating expenditures (\$22.7 million) along with an Economic Contingency Reserve funded at \$3.7 million. These funds, which are the results of the Council's financial stewardship, has allowed the City to be in a position in which we can continue operating at our current service levels and fund critical capital improvements; but staff will also continue to closely monitor the revenues and any adverse fluctuations in expected trends.

Using the operating reserves and any other one-time funding is only a short-term strategy; which is why staff recommended a status quo or a "rollover" budget. Although fiscal restraints were in place while developing this proposed budget, it still maintains, at its core, the Council's commitment to our community. The proposed budget included funding for new operational needs, including:

- Replacement of Fire Department Radio Equipment;
- Replacement of various vehicles;
- Funding for cost increases to the City of Whittier police services contract;
- Funding for the 2020 Elections;



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- Funding for non-recurring expenditures, which include replacements of furniture in public facilities, a Citywide Master Wi-Fi Plan and refurbishments of public facilities, and;
- Funding for various contracts including janitorial, landscaping, economic development and various IT related contracts.

In addition, staff presented the Final FY 2019-20 and the proposed FY 2020-21 budget for the Water Utility Fund. The fund is expected to have an operating deficit of approximately \$1.2 million at year end and a budget deficit of approximately \$1.4 million for FY 2020-21. Revenues continue to remain relatively flat while expenditures, particularly the cost of obtaining water, are increasing at a faster pace. In order to address this, the City Council, on May 28, 2020, approved the new water rates that will be phased in beginning on June 1, 2020.

The adjusted revenues due to the new rates are included in the estimated revenues for the FY 2020-21 proposed budget. Total revenues are expected to increase by \$1.1 million (compared to year-end estimates) while expenditures are expected to increase by an additional \$1.3 million. This proposed budget does not include any contributions to the Water CIP.

Changes to the FY 2020-21 Proposed Budget

The City Council provided direction to staff to modify the allocation for the Los Angeles Centers for Alcohol and Drug Abuse (LACADA), a community non-profit organization, in the Community Organization Support activity. The funding will be derived from the savings generated from the cancellation (due to the pandemic) of the Lake Center School's Washington D.C. trip. Therefore, LACADA's funding for FY 2020-21 will be increased by \$10,000 from \$2,500 to \$12,500. There were other nominal changes to the budget document including the recognition of a \$5,000 grant payment to the Library from the state of California for fiscal year 2019-20, which increased the projected surplus.

The following table summarizes the updated General Fund proposed sources and uses for FY 2020-21, along with the mid-year and updated final estimated amounts for FY 2019-20:



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	Mid-Year Budget FY 2019-20	Final Estimate FY 2019-20	Manager Recommended FY 2020-21
Sources			
Estimated General Revenues	\$ 60,219,500	\$ 56,223,500	\$ 54,809,500
Total Sources	60,219,500	56,223,500	54,809,500
Uses			
Department Expenditures	50,705,700	48,976,600	52,616,850
Non-Recurring Expenditures	1,219,500	1,249,900	1,287,900
Capital Improvement Program Funding	2,800,000	2,800,000	2,800,000
Total Uses	54,725,200	53,026,500	56,704,750
Operating Surplus / (Deficit) Subtotal	5,494,300	3,197,000	(1,895,250)
One-Time Transfers	3,085,200	3,085,200	-
Total Change in General Fund Reserves	\$ 2,409,100	\$ 111,800	\$ (1,895,250)

Moreover, the City Manager is recommending additional funding (\$22K) to the Housing Successor Fund to increase the maintenance of the Lakeland and Laurel site to three times a week. The maintenance of the site was previously scheduled for once a week. There were no other changes to the proposed budget presented at the June 11, 2020 Council meeting.

Conclusion

As we confront this dual health and economic crisis, we must continue the constant pursuit of our City's mission to deliver exemplary public services responsive to our entire community and consistent with our history, culture and unique character.

We must hope for the best while planning for all possibilities moving forward. Our revenues are expected to decline and the magnitude of the impact to our revenues is still unknown. These revenue uncertainties coupled with dramatically increasing required contributions towards the City's unfunded pension liabilities are the difficult challenges our City is currently facing and will be facing in the future. As such, we must remain steadfast in monitoring our revenues, exploring cost savings scenarios, managing our expenditures and looking for efficiencies.

This is an incredibly difficult time for all of us, but through it all, I am proud of how our staff and community have come together. I want to thank the City Council and our staff for their exceptional efforts, their understanding and their commitment to working together to move our community forward.



City of Santa Fe Springs

City Council Meeting

June 25, 2020

RECOMMENDED ACTIONS

The following actions are recommended as part of the budget adoption:

1. Adopt the FY 2020-21 Proposed Budget for the City, Water Utility Authority, Successor Agency, and Housing Successor Agency, as detailed in the proposed budget document and adjusted as discussed in this report. (This includes all the forecasted revenue estimates, expenditure allocations, and related transfers.);
2. Adopt the FY 2019-20 Final Estimated Revenues and Expenditures as the revised budget amounts for FY 2019-20;
3. Authorize the carryover of unspent appropriations for vehicles/equipment and non-recurring expenditures which were not received by June 30, 2020.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz", is written over the printed name and title.

Raymond R. Cruz
City Manager

Attachments:

1. Proposed FY 2020-21 Budget

ATTACHMENT 1

**FY 20-21 BUDGET AVAILABLE
UNDER SEPARATE LINK**



NEW BUSINESS

Adoption of the City's FY 2020-21 Investment Policy

RECOMMENDATION

Adopt the Investment Policy for FY 2020-21.

BACKGROUND

Prior to January 1, 2005, State statute required the City Treasurer to render to the City Council an annual Investment Policy ("Policy"). Although the law changed to eliminate this requirement, an annual review of the Policy for legal compliance and subsequent submittal to the City Council is a good fiscal practice.

Ms. Sarah Meacham, Director with PFM Asset Management, LLC ("PFMAM"), along with her staff, regularly meet with Staff and the City Council Finance Subcommittee to review the City's investment portfolio performance, including discussion on compliance with the City's Policy and any recommended changes to the Policy.

The Policy was originally adopted on June 25, 2015. Minor updates have been made since that time to ensure compliance with changes to the California Government Code ("Code").

At this time, Ms. Meacham recommends that the City update Section 8: Authorized and Suitable Investments. Specifically, related to authorized investment types #9 Deposit Placement Services and #10 Negotiable Certificates of Deposit, two minor changes are recommended to update the Policy with changes in the Code. First, the Code eliminated a sunset date for deposit placement services. Secondly, the Code eliminated the combined holding limit for placement service certificates of deposit and negotiable certificates of deposit. Both of these changes are recommended to be incorporated into the City's Policy. The Code changes also increased the maximum portfolio allocation for deposit placement services to 50% (from 30%); however, this change is not recommended for incorporation into the Policy in order to maintain a better level of diversification in the portfolio.

As reported in the most recent quarterly Treasurer's Report (March 31, 2020), the City's portfolio contains \$2.5 million in negotiable certificates of deposit (7.6% of the managed portfolio) and no balance invested in deposit placement services.

The current Policy with recommended changes along with the final version and memo from PFMAM outlining the recommended changes are attached to this report.

The current policy is in compliance with the requirements of the Code and are modeled after the recommended language endorsed by the California Municipal



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Treasurer's Association ("CMTA"). The proposed policy retains the existing overall investment objectives, in priority order, to be (1) safety (2) liquidity and (3) return on investment:

Safety — Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

Liquidity — The investment portfolio will remain sufficiently liquid to enable the City to meet its cash flow requirements.

Return on Investment — The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration with the investment risk constraints of safety and liquidity needs.


Raymond R. Cruz
City Manager

Attachment(s)

1. City Investment Policy (current Policy with revisions)
2. City Investment Policy (final version)
3. Memo from PFMAM

City of Santa Fe Springs
Investment Policy
June-~~25~~²⁷, ~~2019~~²⁰²⁰

1. Policy

The intent of the Investment Policy of City of Santa Fe Springs is to define the parameters within which funds are to be managed. In methods, procedures and practices, the policy formalizes the framework for the City's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of the City's funds. The guidelines are intended to be broad enough to allow the investment officer to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

The City will invest its funds in such a manner as to comply with applicable state laws (California Government Code Section 53600, et seq. and 53630, et seq.), ensure prudent money management, provide for daily cash flow needs, and meet the City's investment objectives.

2. Scope

The Investment Policy applies to all funds and investment activities of the City except for the investment of bond proceeds, which are governed by the appropriate bond documents, and any pension or other post-employment benefit funds held in a trust that has a separate investment policy.

Except for funds in certain restricted and special funds, the City commingles its funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration.

3. Prudence

The standard of prudence to be used by those authorized to invest on behalf of the City will be the "prudent investor" standard and will be applied in the context of managing an overall portfolio. The "prudent investor" standard states that:

"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

4. Objectives

The primary objectives, in priority order, of the investment activities of the City are:

1. **Safety** — Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
2. **Liquidity** — The investment portfolio will remain sufficiently liquid to enable the City to meet its cash flow requirements.
3. **Return on Investment** — The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration with the investment risk constraints of safety and liquidity needs.

5. Delegation of Authority

The City Council's management responsibility for the investment program is hereby delegated for a one-year period to the City Treasurer. Subject to review, the City Council may renew the delegation of authority pursuant to this section each year. The City Treasurer, and the Treasurer's designees, will monitor and review all investments for consistency with this Investment Policy. The City Treasurer may delegate day-to-day investment decision making and execution authority to an investment advisor. Eligible investment advisors must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisors Act of 1940. The advisor will follow the Policy and such other written instructions as are provided.

6. Ethics and Conflict of Interest

Officers and employees involved in the investment process will refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Employees and investment officials will disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they will further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio.

7. Authorized Financial Dealers and Institutions

The City Treasurer will maintain a list of financial dealers and institutions qualified and authorized to transact business with the City.

The purchase by the City of any investment other than those purchased directly from the issuer, will be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the Corporations Code, who is a member of Financial Industry Regulatory Authority (FINRA), or a member of a Federally regulated securities exchange, a National or State Chartered Bank a Federal or State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank.

The City Treasurer will investigate all institutions that wish to do business with the City, in order to determine if they are adequately capitalized, make markets in securities appropriate to the City's needs, and agree to abide by the conditions set forth in the City's Investment Policy and any other guidelines that may be provided. This

will be done annually by having the financial institutions submit in writing that they have read and will abide by the City's Investment Policy and submit its most recent audited Financial Statement within 120 days of the institution's fiscal year end.

If the City has an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of the City.

Purchase and sale of securities will be made on the basis of competitive bids and offers with a minimum of three quotes being obtained, whenever possible.

8. Authorized and Suitable Investment

The City will limit investments in any one issuer, except U.S. Treasuries, Federal Agencies, supranationals, and pooled funds (i.e., money market funds, local government investment pools, and LAIF), to no more than 5% regardless of security type.

Where this section specifies a percentage limitation for a particular security type, that percentage is applicable only at the date of purchase. Credit criteria listed in this section refers to the credit rating category (inclusive of modifiers) at the time the security is purchased. If an investment's credit rating falls below the minimum rating required at the time of purchase, the City Treasurer will perform a timely review and decide whether to sell or hold the investment.

1. **U.S. Treasuries.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. **U.S. Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. **California State and Local Agency Obligations.** Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated in a rating category of "A," its equivalent, or better by a nationally recognized statistical rating organization (NRSRO). Obligations eligible for investment under this subdivision with maturities under one year must be rated in a rating category of "A-1," its equivalent, or better by a NRSRO. No more than 30% of the City's portfolio may be invested in municipal obligations (includes 4. Other State Obligations).
4. **Other State Obligations.** Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated in a rating category of "A," its equivalent, or better by a NRSRO. Obligations eligible for investment under this subdivision with maturities under one year

must be rated in a rating category "A-1," its equivalent, or better by a NRSRO. No more than 30% of the City's portfolio may be invested in municipal obligations (includes 3. California State and Local Agency Obligations).

5. **Bankers' Acceptances.** Purchases of bankers' acceptances will have a maximum maturity of 180 days. No more than 40% of the City's portfolio may be invested in bankers' acceptances. Eligible bankers' acceptances must be rated in a rating category of "A-1," its equivalent, or better by a NRSRO.
6. **Commercial Paper.** Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper will meet all of the following conditions in either paragraph a or paragraph b:
 - a. The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of "A," its equivalent or higher by a NRSRO.
 - b. The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated in a rating category of "A-1," its equivalent or higher, or the equivalent, by a NRSRO.

Eligible commercial paper will have a maximum maturity of 270 days or less. No more than 25% of the City's portfolio may be invested in commercial paper. The City may purchase no more than 10% of the outstanding commercial paper of any single issuer.

7. **Medium-Term Notes.** Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state, and operating within the U.S. Medium-term notes must be rated in a rating category of "A," its equivalent, or better by a NRSRO. No more than 30% of the City's portfolio may be invested in medium-term notes.
8. **Bank Deposits.** FDIC-insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits ("TCDs") and other types of bank deposits in a state or national bank, savings association or federal association, federal or state credit union in California. The amount on deposit in any financial institution shall not exceed the shareholder's equity. In accordance with California Government Code Section 53635.2, to be eligible to receive City deposits, a financial institution will have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities. The City will have a signed agreement with any depository accepting City funds per Government Code Section 53649.

The maturity of TCDs may not exceed three years. No more than 30% of the City's portfolio may be invested in TCDs.

9. **Deposit Placement Services.** The City may invest a portion of its portfolio in deposits at a commercial bank, savings bank, savings and loan association, or credit union in the State of California (the selected depository) that uses a private sector entity that assists in the placement of deposits in the United States. The full amount of each deposit placed and the interest that may accrue on each such deposit will at all times be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration. Additional required criteria for this investment type can be found in California Government Code Section 53601.8.

~~No more than 30% of the City's investment portfolio may be invested in deposit placement service deposits. If the City also uses a negotiable CDs, the 30% limit applies to the combined total invested in negotiable CDs and with deposit placement services.~~
No more than 10% of the City's portfolio may be invested with any one selected depository for placement services.

The City will monitor the financial institutions selected by deposit placement services to ensure that the City does not deposit more than the amount eligible for FDIC insurance in a single financial institution through non-negotiable CDs and deposit placement services.
~~California Government Code Section 53601.8 expires January 1, 2017 unless legislation is enacted to extend the expiration date.~~

10. **Negotiable Certificates of Deposit.** Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Eligible negotiable CDs with maturities in excess of one year must be rated in a rating category of "A," its equivalent, or better by a NRSRO. Eligible negotiable CDs with maturities under one year must be rated in a rating category of "A-1," its equivalent, or better by a NRSRO. No more than 30% of the City's investment portfolio may be invested in negotiable CDs. ~~If the City also uses a deposit placement service, the 30% limit applies to the combined total invested in negotiable CDs and with deposit placement services.~~
11. **State of California's Local Agency Investment Fund (LAIF).** The State Treasurer established LAIF for the benefit of local agencies. The City can invest up to the maximum amount permitted by the State Treasurer.
12. **Los Angeles County Pooled Fund.** The Los Angeles County Treasurer manages a Pooled Fund, in which the City can invest funds that are needed for short-term liquidity.
13. **Money Market Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies will either:
- Attain the highest ranking letter or numerical rating provided by not less than two of the three largest NRSRO or
 - Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds and with assets under management in excess of \$500,000,000.
- No more than 20% of the City's portfolio may be invested in money market funds.

14. Local Government Investment Pools (LGIPs). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q) of Government Code Section 53601, inclusive. Each share will represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares will have retained an investment adviser that meets all of the following criteria:

- a. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
- b. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) California Government Code Section 53601, inclusive.
- c. The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

15. Supranationals. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision must be rated in a rating category of "AA," its equivalent or better by a NRSRO. No more than 30% of the City's portfolio may be invested in supranationals.

16. Asset-Backed Securities (ABS). Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-back certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum remaining maturity of five years or less. Eligible securities must be rated, by a NRSRO, in a rating category of "AA," its equivalent or higher. No more than 20% of the City's portfolio may be invested in ABS.

9. Prohibited Investments

Investments not described herein, including but not limited to stocks, inverse floaters, range notes, mortgage-derived, interest-only strips, or any security that could result in zero interest accrual if held to maturity are prohibited for purchased by the City. The City will not leverage or borrow money for the purpose of investing.

10. Local Investment

The City will strive to make investments that benefit the local area. Placing monies in local commercial banks is one method of promoting this goal. Deposits may be placed with local commercial banks up to the amount insured by the FDIC.

11. Non Discrimination

The City has an obligation to be aware of the social and political impacts of its investments and to act responsibly in making its investment decisions. The City will not knowingly make any investments in any institution, company, corporation, subsidiary or affiliate that practices or supports directly or indirectly through its actions, discrimination on the basis of race, religion, color, creed, national or ethnic origin, age, sex, sexual preference, or physical disability.

12. Review of Investment Portfolio

California Government Code requires compliance be measured only at the time of purchase. Balance fluctuations can cause sector and issuer percentages to rise above the limits described above and changes in the financial environment can cause ratings to fall below minimum requirements. While these situations do not constitute non-compliance, the City Treasurer will monitor for these situations and decide whether they warrant making changes to the portfolio. Instances of non-compliance will be reported to the City Council at least quarterly, if any arise.

13. Investment Pools

The City will complete due diligence for any pooled investments the City invests in. The City Treasurer will collect and evaluate the following information for each pool/fund:

- Permitted investments and objectives
- Description of interest calculations
- Method/frequency of interest distribution
- Treatment of gains and losses
- Method/frequency of audits
- Description of eligible investors
- Limits/minimum account sizes, type of assets, transaction sizes, and number of transactions
- Limits on withdrawals
- Frequency of statements and reporting of underlying investments
- Reserves or retained earnings
- Fee schedules

14. Collateralization

Collateralization is required for deposits. Deposits must be collateralized as specified under Government Code Section 53630, et seq. The City, at its discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. Funds may be deposited in active or inactive accounts, but may not exceed the total paid-up capital and surplus in any depository.

15. Safekeeping and Custody

All deliverable securities owned by the City, will be kept in safekeeping/custody by a third-party bank's trust department. All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the City's safekeeping/custody bank prior to the release of funds.

16. Maximum Maturities

Maturities will be based on a review of cash flow forecasts. Maturities will be scheduled to permit the City to meet all projected obligations.

The City may not invest in a security that exceeds five years from the date of purchase unless the City Council has provided at least 90 days prior approval for a specific purpose.

17. Internal Controls

The City Treasurer will establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

18. Performance Standards

The City Treasurer will establish a performance benchmark consistent with the City's investment strategy and supportive of the City's investment objectives.

19. Reporting Requirements

The City Treasurer will render a quarterly report to the City Council and City Manager within 30 days following the end of the quarter covered. The report will include at least:

- List of all investments owned by the City
- List transactions as required by California Government Code 53607 when City Council has delegated authority
- Investment type
- Issuer
- Maturity date
- Total par and dollar amount invested
- Description of any funds, investments, or programs managed by an advisor or other outside party
- Market value of the investment portfolio as of the date of the report, and the source of this valuation
- Statement as to whether the City's investments comply with the Investment Policy, and if not, why not
- Statement denoting the ability of the City to meet its expenditure requirements for the next six months

20. Investment Policy Adoption

The City's Investment Policy will be adopted by resolution of the City Council. The Policy will be reviewed annually by the City Council and any modifications made thereto must be approved by the Council.

21. Glossary

See attached Appendix A.

APPENDIX A

GLOSSARY

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report of the City. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

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PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

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SEC RULE 15(C)3-1: See Uniform Net Capital Rule.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

City of Santa Fe Springs

Investment Policy

June 25, 2020

1. Policy

The intent of the Investment Policy of City of Santa Fe Springs is to define the parameters within which funds are to be managed. In methods, procedures and practices, the policy formalizes the framework for the City's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of the City's funds. The guidelines are intended to be broad enough to allow the investment officer to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

The City will invest its funds in such a manner as to comply with applicable state laws (California Government Code Section 53600, et seq. and 53630, et seq.), ensure prudent money management, provide for daily cash flow needs, and meet the City's investment objectives.

2. Scope

The Investment Policy applies to all funds and investment activities of the City except for the investment of bond proceeds, which are governed by the appropriate bond documents, and any pension or other post-employment benefit funds held in a trust that has a separate investment policy.

Except for funds in certain restricted and special funds, the City commingles its funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration.

3. Prudence

The standard of prudence to be used by those authorized to invest on behalf of the City will be the "prudent investor" standard and will be applied in the context of managing an overall portfolio. The "prudent investor" standard states that:

"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

4. Objectives

The primary objectives, in priority order, of the investment activities of the City are:

1. **Safety** — Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
2. **Liquidity** — The investment portfolio will remain sufficiently liquid to enable the City to meet its cash flow requirements.
3. **Return on Investment** — The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration with the investment risk constraints of safety and liquidity needs.

5. Delegation of Authority

The City Council's management responsibility for the investment program is hereby delegated for a one-year period to the City Treasurer. Subject to review, the City Council may renew the delegation of authority pursuant to this section each year. The City Treasurer, and the Treasurer's designees, will monitor and review all investments for consistency with this Investment Policy. The City Treasurer may delegate day-to-day investment decision making and execution authority to an investment advisor. Eligible investment advisors must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisors Act of 1940. The advisor will follow the Policy and such other written instructions as are provided.

6. Ethics and Conflict of Interest

Officers and employees involved in the investment process will refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Employees and investment officials will disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they will further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio.

7. Authorized Financial Dealers and Institutions

The City Treasurer will maintain a list of financial dealers and institutions qualified and authorized to transact business with the City.

The purchase by the City of any investment other than those purchased directly from the issuer, will be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the Corporations Code, who is a member of Financial Industry Regulatory Authority (FINRA), or a member of a Federally regulated securities exchange, a National or State Chartered Bank a Federal or State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank.

The City Treasurer will investigate all institutions that wish to do business with the City, in order to determine if they are adequately capitalized, make markets in securities appropriate to the City's needs, and agree to abide by the conditions set forth in the City's Investment Policy and any other guidelines that may be provided. This

will be done annually by having the financial institutions submit in writing that they have read and will abide by the City's Investment Policy and submit its most recent audited Financial Statement within 120 days of the institution's fiscal year end.

If the City has an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of the City.

Purchase and sale of securities will be made on the basis of competitive bids and offers with a minimum of three quotes being obtained, whenever possible.

8. Authorized and Suitable Investment

The City will limit investments in any one issuer, except U.S. Treasuries, Federal Agencies, supranationals, and pooled funds (i.e., money market funds, local government investment pools, and LAIF), to no more than 5% regardless of security type.

Where this section specifies a percentage limitation for a particular security type, that percentage is applicable only at the date of purchase. Credit criteria listed in this section refers to the credit rating category (inclusive of modifiers) at the time the security is purchased. If an investment's credit rating falls below the minimum rating required at the time of purchase, the City Treasurer will perform a timely review and decide whether to sell or hold the investment.

1. **U.S. Treasuries.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. **U.S. Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. **California State and Local Agency Obligations.** Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated in a rating category of "A," its equivalent, or better by a nationally recognized statistical rating organization (NRSRO). Obligations eligible for investment under this subdivision with maturities under one year must be rated in a rating category of "A-1," its equivalent, or better by a NRSRO. No more than 30% of the City's portfolio may be invested in municipal obligations (includes 4. Other State Obligations).
4. **Other State Obligations.** Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated in a rating category of "A," its equivalent, or better by a NRSRO. Obligations eligible for investment under this subdivision with maturities under one year

must be rated in a rating category "A-1," its equivalent, or better by a NRSRO. No more than 30% of the City's portfolio may be invested in municipal obligations (includes 3. California State and Local Agency Obligations).

5. **Bankers' Acceptances.** Purchases of bankers' acceptances will have a maximum maturity of 180 days. No more than 40% of the City's portfolio may be invested in bankers' acceptances. Eligible bankers' acceptances must be rated in a rating category of "A-1," its equivalent, or better by a NRSRO.
6. **Commercial Paper.** Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper will meet all of the following conditions in either paragraph a or paragraph b:
 - a. The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of "A," its equivalent or higher by a NRSRO.
 - b. The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated in a rating category of "A-1," its equivalent or higher, or the equivalent, by a NRSRO.

Eligible commercial paper will have a maximum maturity of 270 days or less. No more than 25% of the City's portfolio may be invested in commercial paper. The City may purchase no more than 10% of the outstanding commercial paper of any single issuer.

7. **Medium-Term Notes.** Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state, and operating within the U.S. Medium-term notes must be rated in a rating category of "A," its equivalent, or better by a NRSRO. No more than 30% of the City's portfolio may be invested in medium-term notes.
8. **Bank Deposits.** FDIC-insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits ("TCDs") and other types of bank deposits in a state or national bank, savings association or federal association, federal or state credit union in California. The amount on deposit in any financial institution shall not exceed the shareholder's equity. In accordance with California Government Code Section 53635.2, to be eligible to receive City deposits, a financial institution will have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities. The City will have a signed agreement with any depository accepting City funds per Government Code Section 53649.

The maturity of TCDs may not exceed three years. No more than 30% of the City's portfolio may be invested in TCDs.

9. **Deposit Placement Services.** The City may invest a portion of its portfolio in deposits at a commercial bank, savings bank, savings and loan association, or credit union in the State of California (the selected depository) that uses a private sector entity that assists in the placement of deposits in the United States. The full amount of each deposit placed and the interest that may accrue on each such deposit will at all times be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration. Additional required criteria for this investment type can be found in California Government Code Section 53601.8.

No more than 30% of the City's investment portfolio may be invested in deposit placement service deposits. No more than 10% of the City's portfolio may be invested with any one selected depository for placement services.

The City will monitor the financial institutions selected by deposit placement services to ensure that the City does not deposit more than the amount eligible for FDIC insurance in a single financial institution through non-negotiable CDs and deposit placement services..

10. **Negotiable Certificates of Deposit.** Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Eligible negotiable CDs with maturities in excess of one year must be rated in a rating category of "A," its equivalent, or better by a NRSRO. Eligible negotiable CDs with maturities under one year must be rated in a rating category of "A-1," its equivalent, or better by a NRSRO. No more than 30% of the City's investment portfolio may be invested in negotiable CDs.
11. **State of California's Local Agency Investment Fund (LAIF).** The State Treasurer established LAIF for the benefit of local agencies. The City can invest up to the maximum amount permitted by the State Treasurer.
12. **Los Angeles County Pooled Fund.** The Los Angeles County Treasurer manages a Pooled Fund, in which the City can invest funds that are needed for short-term liquidity.
13. **Money Market Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies will either:
- a. Attain the highest ranking letter or numerical rating provided by not less than two of the three largest NRSRO or
 - b. Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

No more than 20% of the City's portfolio may be invested in money market funds.

14. Local Government Investment Pools (LGIPs). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q) of Government Code Section 53601, inclusive. Each share will represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares will have retained an investment adviser that meets all of the following criteria:

- a. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
- b. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) California Government Code Section 53601, inclusive.
- c. The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

15. Supranationals. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision must be rated in a rating category of "AA," its equivalent or better by a NRSRO. No more than 30% of the City's portfolio may be invested in supranationals.

16. Asset-Backed Securities (ABS). Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-back certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum remaining maturity of five years or less. Eligible securities must be rated, by a NRSRO, in a rating category of "AA," its equivalent or higher. No more than 20% of the City's portfolio may be invested in ABS.

9. Prohibited Investments

Investments not described herein, including but not limited to stocks, inverse floaters, range notes, mortgage-derived, interest-only strips, or any security that could result in zero interest accrual if held to maturity are prohibited for purchased by the City. The City will not leverage or borrow money for the purpose of investing.

10. Local Investment

The City will strive to make investments that benefit the local area. Placing monies in local commercial banks is one method of promoting this goal. Deposits may be placed with local commercial banks up to the amount insured by the FDIC.

11. Non Discrimination

The City has an obligation to be aware of the social and political impacts of its investments and to act responsibly in making its investment decisions. The City will not knowingly make any investments in any institution, company, corporation, subsidiary or affiliate that practices or supports directly or indirectly through its actions, discrimination on the basis of race, religion, color, creed, national or ethnic origin, age, sex, sexual preference, or physical disability.

12. Review of Investment Portfolio

California Government Code requires compliance be measured only at the time of purchase. Balance fluctuations can cause sector and issuer percentages to rise above the limits described above and changes in the financial environment can cause ratings to fall below minimum requirements. While these situations do not constitute non-compliance, the City Treasurer will monitor for these situations and decide whether they warrant making changes to the portfolio. Instances of non-compliance will be reported to the City Council at least quarterly, if any arise.

13. Investment Pools

The City will complete due diligence for any pooled investments the City invests in. The City Treasurer will collect and evaluate the following information for each pool/fund:

- Permitted investments and objectives
- Description of interest calculations
- Method/frequency of interest distribution
- Treatment of gains and losses
- Method/frequency of audits
- Description of eligible investors
- Limits/minimum account sizes, type of assets, transaction sizes, and number of transactions
- Limits on withdrawals
- Frequency of statements and reporting of underlying investments
- Reserves or retained earnings
- Fee schedules

14. Collateralization

Collateralization is required for deposits. Deposits must be collateralized as specified under Government Code Section 53630, et seq. The City, at its discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. Funds may be deposited in active or inactive accounts, but may not exceed the total paid-up capital and surplus in any depository.

15. Safekeeping and Custody

All deliverable securities owned by the City, will be kept in safekeeping/custody by a third-party bank's trust department. All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the City's safekeeping/custody bank prior to the release of funds.

16. Maximum Maturities

Maturities will be based on a review of cash flow forecasts. Maturities will be scheduled to permit the City to meet all projected obligations.

The City may not invest in a security that exceeds five years from the date of purchase unless the City Council has provided at least 90 days prior approval for a specific purpose.

17. Internal Controls

The City Treasurer will establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

18. Performance Standards

The City Treasurer will establish a performance benchmark consistent with the City's investment strategy and supportive of the City's investment objectives.

19. Reporting Requirements

The City Treasurer will render a quarterly report to the City Council and City Manager within 30 days following the end of the quarter covered. The report will include at least:

- List of all investments owned by the City
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June 5, 2020

Memorandum

To: Travis Hickey, Director of Finance and Administrative Services
City of Santa Fe Springs

From: Sarah Meacham, Managing Director
Richard Babbe, CCM, Senior Managing Consultant
PFM Asset Management LLC

Re: 2020 Investment Policy Review

At your request, we reviewed the City of Santa Fe Springs's (the "City") Investment Policy (the "Policy") as part of the City's annual review process. The current Policy is comprehensive and is in compliance with the current California Government Code (the "Code") statutes regulating the investment of public funds. Although no changes are required, we are recommending several updates, as summarized below. In addition, we have attached a marked-up copy of the Policy to illustrate our recommendations.

9. Deposit Placement Services

The law was changed several years ago to eliminate the sunset date for this investment type. In addition, the combined holding limit for placement service certificates of deposits and negotiable certificates was eliminated. We recommend that the City update the Policy to incorporate these revisions.

We also wanted to let you know that Assembly Bill No. 954, which took effect January 1, 2020, increased the amount that local agencies can invest in placement service deposits (Code Section 53601.8) to 50% from 30%. However, for diversification purposes, we recommend maintaining the current 30% limit.

9. Negotiable Certificates of Deposit

As noted above, the combined holding limit for placement service certificates of deposits and negotiable certificates was eliminated. We recommend that the City update the Policy to eliminate the combined holding limit.

While no changes are required, we also want to let you know about a couple of other recent changes to local agency investment requirements.

Effective January 1, 2020, California State Treasurer Fiona Ma increased the LAIF deposit limit for regular accounts to \$75 million from the previous \$65 million. As the Policy does not list a dollar limit for LAIF, no change to the Policy is required to incorporate this change.



In addition, Assembly Bill No. 857, which took effect January 1, 2020, provides for the establishment of public banks by local agencies, subject to approval by the Department of Business Oversight (DBO) and Federal Deposit Insurance Corporation (FDIC). This Bill also added subsection (r) to Code section 53601, which will permit local agencies to invest in the commercial paper, debt securities, or other obligations of a public bank. However, we do not recommend that the City add this investment type to the Policy at this time as we are not aware of any public banks that are currently in operation. Furthermore, we would want to review the operational history and credit quality of any public bank before we could recommend investing in its securities.

Please let us know if you have any questions or if would like to discuss our comments in more detail.



NEW BUSINESS

Consideration of Entering Into an Exclusive Negotiating Agreement (ENA) by and Between the City of Santa Fe Springs, a Municipal Corporation ("City") and Westland Real Estate Group, a California Limited Liability Company ("Developer") for the Development of the ±4.02-acre Property (APN: 8009-007-930) Located on the South Side of Telegraph Road, East of Heritage Park Drive and West of Norwalk Boulevard, Santa Fe Springs, CA 90670.

RECOMMENDATIONS

- Authorize Entering Into an Exclusive Negotiating Agreement by and Between the City of Santa Fe Springs, a Municipal Corporation ("City") and Westland Real Estate Group, a California Limited Liability Company ("Developer") for the Development of the ±4.02-acre Property (APN: 8009-007-930) located on the south side of Telegraph Road, east of Heritage Park Drive and West of Norwalk Boulevard), Santa Fe Springs, CA 90670
- Authorize the Mayor or designee to execute the ENA, in substantially the same form, and acceptable to the City Attorney, on behalf of the City.

The property is part of what is commonly referred to as the Sculpture Garden Site and is generally located at the southwest corner of Telegraph Road and Norwalk Boulevard. It is zoned M-2, Heavy Manufacturing, with a General Plan Land Use Designation of Business Park. It previously had an APN of 8009-007-915, and was part of a larger ±6.133-acre parcel. With the recordation of Parcel Map. No. 82014, the ±6.133-acre parcel was subdivided in two parcels: Parcel 1 of 5.059 acres and Parcel 2 of 1.074 acres. The purpose of the subdivision was to create a separate parcel, (Parcel 2) for a future hotel development. The new APN's for the recently created parcels are 8009-007-930 (Parcel 1) and 8009-007-931 (Parcel 2).

The City of Santa Fe Springs owns the property. Through the redevelopment dissolution process, the property was approved for disposition. There are seven (7) abandoned oil wells on the parcels. Two of the wells are within the parking lot area that serves the adjacent Geezer's restaurant to the west. Two more wells are within the grassy area between the parking lot and the pedestrian bridge and will affect any proposed development by Westland. Another two wells are located near the stairwell of the pedestrian bridge, and the last well is located within the grassy area along Norwalk Boulevard. No wells are located on the aforementioned Parcel 2.

For several years, Staff from the Planning Department, a few Council members and most recently, the City Manager, has attended ReCon in Las Vegas. The International Council of Shopping Centers (ICSC) RECon is the world's largest global gathering of retail real estate professionals, providing networking, deal making, and educational opportunities for industry professionals from around the world.

Leading developers, owners, brokers, and retailers, come together to conduct a year's worth of business in one place. ReCon Las Vegas is with no doubt the best three-day exhibition to discover the latest industry products, attend many educational sessions, and find new deals in the market.

ReCon is also an opportunity for cities, municipalities, government, and non-profit organizations to attract real estate development to their respective communities. Past City success at ReCon has resulted in a Jersey Mike's occupying a long vacant, former flower shop, within the Promenade Shopping Center. Attracting development to one's respective community does not take place overnight. Sometimes it takes several years. This was the case with Coast to Coast Commercial, the approved Sonic Drive-In franchise/development group for Los Angeles County, San Bernardino County, Riverside County, and Orange County. Many years of meetings finally culminated in a Purchase and Sales Agreement for Coast to Coast Commercial to purchase a former Redevelopment Agency property of 1.683 acre. On the 1.683-acre parcel, a Sonic Drive-In restaurant and a second, speculative pad building will be constructed. The City's Planning Commission approved the entitlements on June 8, 2020.

Similarly, to Coast to Coast, Staff has met, at ReCon, with Manny Bukiet of Westland Real Estate Group, whose corporate office is located in Long Beach. Westland is the owner and operator of Multi-Family Residential, Retail Properties, and Manufactured Home Communities. Westland offers over 1.4 million square feet of retail across Los Angeles, Orange County, and the Inland Empire. The Retail Division began in 1980 with the purchase of a laundromat and meat market on Florence Avenue in Los Angeles. Today, the division offers units from 2400 square feet to 100,000 square feet ranging from small strip centers and single tenants to larger shopping centers that are supermarket anchored.

With a wide variety of inventory and an expert retail team, Westland anticipates a tenant's needs and guides them to a unit that will attract the right customers. The majority of retail tenants are local small businesses. Westland started as a small family-run company and takes a closer look at first-time small-business applicants with high potential. In working with this underserved market, many tenants have expanded and leased other Westland locations.

Westland is experienced in developing successful retail space that boosts the local economy, such as the popular Downey Gateway. Westland maintains an optimal retail tenant mix to ensure the property's continued appeal and help increase tenant revenue streams. When building new retail space, Westland works with local leaders and engages with the community to learn what will best serve them.

Staff is currently working on an Exclusive Negotiating Agreement (ENA) with Westland to develop Parcel 1 with several restaurant/retail-type uses. One concept considered is two small buildings along the Telegraph Road street frontage and a third building set back from the first two buildings, in a manner that creates an inviting courtyard area between all three buildings. This courtyard area could be used for outdoor dining, relaxation and entertainment.

General ENA Terms:

- Terms of any potential Disposition and Development Agreement and/or Purchase and Sales Agreement between the City and Developer for the development of the parcel is to be negotiated during the exclusive negotiating period.
- The terms of the exclusive negotiating period shall be 270 days with an additional 120-day extension, by mutual agreement.
- Developer required to make oral and written reports from time to time as requested by City, advising City on all matters and studies being made.
- The consideration to be exchanged for execution of the ENA is a \$10,000.000 Earnest Money Deposit.
- City is prohibited from negotiating with any other persons regarding the sale or redevelopment of the property during the Negotiation Period.

Staff believes that it would be appropriate for the City Council to approve the proposed ENA with Westland. The specified time period within the ENA would allow Westland to market the property, conduct market studies, develop conceptual site plan and elevations, and investigate the suitability of the parcel for retail development. Ultimately, this information and other information obtained during the negotiating period will help determine the viability of the project so that the City and Developer can decide whether to enter into a Disposition and Development Agreement and/or a Purchase and Sales Agreement

FISCAL IMPACT:

There are no fiscal impacts associated with the approval of the ENA.

INFRASTRUCTURE IMPACTS:

There are no infrastructure impacts associated with the approval of the ENA.



Raymond R. Cruz
City Manager

Attachment:
Exclusive Negotiating Agreement

EXCLUSIVE NEGOTIATION AGREEMENT

THIS EXCLUSIVE NEGOTIATION AGREEMENT (the "Agreement" or "ENA") is made as of this December 12, 2019, by and between the CITY OF SANTA FE SPRINGS, a municipal corporation ("City"), and Westland Real Estate Group, A California Limited Liability Company ("Developer"). The City, and Developer are sometimes referred to individually herein as a "Party" and, collectively, as the "Parties."

RECITALS

A. The City is the owner of certain real property identified as APN # 8009-007-930, constituting \pm 4.02 acres (gross), located within the City limits and more particularly described in Exhibit "A" ("the Property").

B. The City received a development proposal from Developer for development of the Property. The Property was part of a larger parcel, commonly referred to as the Sculpture Garden, which was subdivided under Parcel Map No. 82014, which created two parcels: Parcel 1 of \pm 5.059 acres (gross) and Parcel 2 of 1.074 acres (gross).

C. Negotiation and potential sale of the Property to Developer is consistent with the City's objectives to redevelop and revitalize underutilized sites in the City.

D. Developer desires to negotiate a Disposition and Development Agreement (DDA) or a Purchase and Sales Agreement (PSA) with the City, to acquire and then develop the Property as a commercial space (the "Project").

NOW, THEREFORE, CITY AND DEVELOPER HEREBY AGREE AS FOLLOWS:

(§ 100) Incorporation of Recitals

The Recitals of fact set forth above, and all defined terms set forth in such Recitals and in the introductory paragraph preceding the Recitals, are hereby incorporated into this Agreement, in their entirety, by this reference.

(§ 101) Negotiation

(§102) Good Faith Negotiations

The City and Developer agree, for the period set forth below, to negotiate in good faith to prepare a DDA/PSA to be entered into between the Parties concerning the disposition and redevelopment of the Property to establish the Project thereon and, in doing so, shall comply with the Schedule of Performance attached hereto as Exhibit "B". The City Attorney will draft the DDA/PSA based on terms agreed upon by the City and the Developer at the conclusion of negotiations.

During the term of this Agreement, or any extension thereof, City agrees that they shall not negotiate with any other person or entity for the acquisition or development of the Property. The term "negotiate" as used herein shall be deemed to preclude the City from accepting development proposals from persons or entities other than Developer, or discussing with persons or entities other than Developer, development plans for the Property which might be

acceptable to City. However, the City shall not be precluded from furnishing to other persons or entities unrelated to Developer information in the possession of the City related to the plan for the area, the implementation of which is within City's purview to administer. City may also furnish any other information in the possession of the City, which the City would normally furnish to persons requesting information from the City concerning its activities, goals, and matters of a similar nature.

(§ 103) **Negotiation Period**

The City and Developer hereby establish a negotiating period commencing on the date of this Agreement and continuing for an initial period of two hundred seventy days (270) days (the "Initial Negotiation Period"). If, at the expiration of the Initial Negotiation Period, Developer is not willing to negotiate the terms of a DDA/PSA, then this Agreement will terminate. If at the expiration of the Initial Negotiation Period, Developer and City are willing to negotiate the terms of the DDA/PSA and Developer provides to the City documents evidencing, to the City Manager's sole satisfaction, Developer's good faith prosecution of reasonable due diligence during the Initial Negotiation Period, the Initial Negotiation Period will automatically be extended for an additional period of one hundred twenty (120) days (the "Extended Negotiation Period" and, collectively with the Initial Negotiation Period, the "Negotiation Period"). If at the expiration of the Extended Negotiation Period, Developer and City have failed to agree on the terms of the DDA/PSA, this Agreement shall terminate unless extended pursuant to Section 700 hereof. A Schedule of Performance which sets forth the timing of the Parties' obligations under this Agreement is attached hereto as Exhibit "B". Upon the occurrence of a default by the Developer not cured within the time provided in Section 300 below, City shall have the right, after providing Developer with ten (10) days' written notice, to terminate this Agreement. In the event of termination, pursuant to this Section 102, neither Party shall have further rights against or liability to the other under this Agreement.

(§200) **Consideration**

The consideration to be exchanged for execution of this DDA/ENA shall be \$10,000.00 paid to the City and referred to hereinafter as the ("earnest money deposit") payable via cashier's check or, in the City Manager's sole discretion, via some other commercially reasonable method, which shall be considered an earnest money deposit deposited upon open of escrow. The earnest money deposit shall be paid immediately upon execution of this Agreement and held by City, on behalf of the City, until such time as the Parties either execute a DDA/PSA and escrow is opened or this Agreement expires. In event of expiration or termination of this Agreement, the earnest money shall be refunded to Developer. In the event of execution of a DDA, the earnest money deposit shall be deposited into the appropriate escrow and applied against the purchase price of the Property. Developer understands and agrees and waives any claim to interest generated by the earnest money deposit held by City during the term of this Agreement.

(§300) **Developer's Responsibilities**

(§ 301) **Disclosure and Approval**

No less than 60 days prior to the close of escrow, Developer will provide information to the City regarding the identities of its principals and officers.

(§ 302) **Method of Financing**

No less than 60 days prior to the close of escrow, Developer shall provide the City with proof of sufficient funds available to acquire the City Property and complete construction of the Project.

No less than 60 days prior to the close of escrow, Developer or its capital partner shall provide adequate assurance that funds sufficient to complete construction are available for use within the United States and that said funds are irrevocably committed to complete construction. Alternatively, Developer or its capital partner shall provide a letter of credit, completion bond or similar assurance that is acceptable to the City.

The City agrees to consider all financial information submitted as confidential and further agrees to refrain from releasing information provided by Developer pursuant to this Agreement unless: (1) City Attorney determines, after reasonable consultation with the Developer's counsel, that the release of the information is required by the California Public Records Act or other applicable statutes, (2) a court orders the release of the information or (3) as otherwise required by law.

(§ 400) **Proposed Development**

(§ 401) **Comprehensive Development Plans**

Developer shall provide comprehensive development plans for implementation of development of the Project. Such development plans must comply with all applicable laws, rules and regulations of City and all other government entities having jurisdiction over the Property.

(§ 402) **Developer's Studies and Reports**

Developer shall agree to make oral progress reports and written reports from time to time as requested by City, advising City on all matters and all studies being made. If the negotiations do not result in a DDA/PSA, Developer shall promptly deliver to the City copies of all non-privileged (*i.e.*, not subject to the attorney-client privilege or the attorney work-product privilege) studies and reports in Developer's possession specifically for this proposed Project. Notwithstanding the forgoing, Developer agrees to provide the City with, and authorize future use of any ALTA Land Survey and ASTM Phase 1 or Phase 2 investigations performed on the Property. The Developer shall indemnify and hold harmless the City from any loss, cost, or damage (including, without limitation, reasonable attorney's fees) arising out of any entry on the City Property by Developer, its agents or its representatives.

(§ 403) **Cooperation and Additional Information**

Developer Cooperation

Developer shall generally cooperate with the City and shall supply such other documents and information as may be reasonably requested in writing by the City.

(§ 500) **Event of Default**

The failure of Developer or City to reasonably and timely comply with its obligations under this Agreement, if not due to circumstances beyond the reasonable control of Developer or City, as the case may be, shall be considered a default hereunder. Prior to exercising any remedies hereunder for the default of this Agreement, the Party asserting a default shall provide written notice to the other Party describing the alleged default, and such Party shall have thirty (30) days to cure such default.

(§ 600) **The City' Responsibilities**

(§ 601) **City' Assistance and Cooperation**

The City shall cooperate in good faith in providing Developer with appropriate information and assistance Developer may reasonably require toward the preparation of necessary plans and drawings for the proposed Project, and toward the securing of any permits that may be required from the City or the County of Los Angeles. Nothing herein stated shall constitute the granting of any land use or other approval required for the proposed development on the Property, and shall not constitute a guarantee of the outcome of any application filed by the Developer with the City.

(§ 602) **Compliance with State and Local Law**

If negotiations culminate in a DDA/PSA mutually agreeable to the Parties, such agreement shall not become effective until all state (including but not limited to Government Code Sections 54220 through 54233) and local requirements for the sale of the Property have been complied with and approved by the City Council and any other applicable legislative hearings required by law.

(§ 603) **Fees, Costs & Expenses**

City shall not be liable for any real estate commission or brokerage fees which may arise from this transaction. The Developer is responsible for all costs and expenses of providing documents and studies necessary to complete the DDA/PSA, and any fees or charges incurred securing permits and any other necessary approvals.

(§ 604) **No Predetermination of City Discretion**

The Parties agree and acknowledge that, while this Agreement provides that the Parties shall negotiate in good faith, this Agreement does not obligate either the City or the Developer to enter into a DDA/PSA or other instrument for development of the Project, and approval of a DDA/PSA or other instrument for development of the Project shall require the approval of both Parties, with the City Council giving its approval, if at all, only after consideration of the DDA or other instrument for development of the Project at a regular meeting of the City Council following all other proceedings required by law.

(§700) **Extension**

The Negotiation Period may be extended by the mutual written consent of the Parties for up to one (1) additional period of one hundred twenty (120) days. The City Manager, or designee may grant such extension upon receipt of an extension request and a report from Developer indicating in specific terms the efforts of Developer to date and the anticipated steps to be undertaken in the extension period for completion of the negotiation of the DDA/PSA. To the extent that such efforts are reasonably determined by the City to be consistent with the requirements of this Agreement, the City shall grant such extension request. Granting of an extension is expressly conditioned upon Developer providing to the City manager written documentation of all Developer's due diligence to date.

(§ 701) **Planning Costs and Expenses.**

If the parties are unable to reach agreements on a DDA/PSA, City and Developer each shall bear their own costs and expenses in connection with negotiating and finalizing this Agreement. Should the parties reach agreement on a DDA/PSA, that agreement shall provide for all costs and expenses of the City to be reimbursed by Developer, to include costs and expenses of negotiating and finalizing this Agreement and the DDA/PSA.

(§ 800) **Miscellaneous**

(§ 801) **Complete Agreement**

This Agreement reflects the complete and total understanding between the Parties hereto and all agreements or understandings between the Parties hereto are contained within them. Any changes, modifications, amendments or addenda to this Agreement must be in writing and signed by all Parties to be effective.

(§ 802) **Assignment**

This Agreement or any interest therein may not be assigned or transferred voluntarily or by operation of law to any other party without written approval of the Parties, except as expressly set forth herein. An attempt to transfer this Agreement by the Developer to another party, without first obtaining the written permission of the City, shall constitute grounds for the immediate termination of this Agreement by the City, or either of them.

(§ 803) **Notices**

Any notice, tender, demand, delivery, or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered in person or mailed by first class or certified or registered mail, postage prepaid to the following persons:

To City:
City Manager
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, CA 90670

To Developer:
Westland Real Estate Group
520 West Willow Street
Long Beach California, 90806
Attention: Manny Bukiet
manny.b@westlandreg.com

If sent by mail, any notice, delivery, or other communication shall be effective or deemed to have been given three (3) days after it has been deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed as set forth above. For purposes of calculating these time frames, weekends, Federal, State, County or City holidays shall be excluded.

(§ 804) **Jurisdiction and Venue**

This Agreement and all questions relating to its validity, interpretation, and enforcement shall be governed and construed in accordance with the laws of the State of California. This Agreement has been executed and delivered in the State of California and the validity, interpretation, and enforcement of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California. Both Parties further agree that Los Angeles County, California, shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

(§ 805) **Attorney Fees**

In the event any judgment is ordered in any action upon this Agreement, the Party hereto against whom such judgment is ordered agrees to pay to the other Party hereto, and that there may be added to such judgment an amount equal to the reasonable value of all legal services (including attorney's fees and costs) rendered in said action on behalf of the Party in whose favor any such judgment is ordered and that such sum may be fixed by the Court in such action.

(§ 806) **Severability**

The provisions of this Agreement are severable, and if any part of it is found to be unenforceable, the other paragraphs shall remain in full force and effect.

(§ 807) **Hold Harmless**

Developer agrees to defend, indemnify and hold the City, their officials, employees, and agents harmless from all costs, expenses, liabilities and claims (including reasonable attorneys' fees) in connection with Developer's activities upon the Property and Developer's performance of its obligations under this Agreement. Notwithstanding the foregoing, Developer shall not be responsible to indemnify the City to the extent of the City's gross negligence or willful misconduct.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to Negotiate Exclusively as of the day and year first above written.

"CITY"
CITY OF SANTA FE SPRINGS

By: _____
Print Name: _____
Title: William Rounds, Mayor

ATTEST:

By: _____
Janet Martinez, CMC, City Clerk

APPROVED AS TO FORM:

By: _____
Title: City Attorney

"DEVELOPER"
WESTLAND REAL ESTATE GROUP

By: _____
Print Name: _____
Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

PM 398-69-72 That Por In Tra 5354 Of Lot 1

EXHIBIT "B"

SCHEDULE OF PERFORMANCE

<u>ACTION</u>	<u>TIMEFRAME</u>	<u>RESPONSIBLE ENTITY FOR OVERSIGHT AND COORDINATION</u>	<u>RESPONSIBLE ENTITY FOR COST</u>
1. Conduct due diligence studies on the site, possibly including but not limited to, market feasibility and City zoning regulations.	Within 270 days of City execution of approved ENA	Developer	Developer
2. Completion of a Draft Disposition and Development Agreement ("DDA")/Purchase and Sales Agreement (PSA)	Within 60 days of expiration of Initial Negotiation Period.	City and Developer	Each Party Responsible for its own costs
3. Execution of DDA/PSA by Developer and City	Within 45 days of Completion of DDA/PSA	City and Developer	Each Party Responsible for its own costs
4. Close of Escrow	No later than 6 months following execution of DDA/PSA.	City and Developer	
5. Submission of land use entitlement applications to City.	No later than 90 days from the opening of escrow	Developer	Processing fees to be paid by Developer
6. Processing of land use entitlements and CEQA compliance, including review and public hearings conducted by the Planning Commission, and City Council.	120 days following submission of entitlement applications	City	Processing fees to be paid by Developer