



## SOUTH GATE CITY COUNCIL REGULAR MEETING AGENDA

Tuesday, November 9, 2021 at 6:30 p.m.

**SOUTH GATE COUNCIL CHAMBERS OR  
TELECONFERENCE  
DIAL-IN-NUMBER: 1 (669) 900-6833**

**MEETING ID: 871 3225 5029**

**<https://us02web.zoom.us/j/87132255029>**

### I. Call To Order/Roll Call With Invocation & Pledge

<b>CALL TO ORDER</b>	Al Rios, Mayor
<b>INVOCATION</b>	Pastor Martha Moscoso, Faith and Hope Lutheran Church
<b>PLEDGE OF ALLEGIANCE</b>	Arthur Loya, 99-Year Old WWII Veteran
<b>ROLL CALL</b>	Carmen Avalos, City Clerk

### II. City Officials

**MAYOR**

Al Rios

**CITY CLERK**

Carmen Avalos

**VICE MAYOR**

Maria del Pilar Avalos

**CITY TREASURER**

Gregory Martinez

**COUNCIL MEMBERS**

Maria Davila

Denise Diaz

**INTERIM CITY MANAGER**

Chris Jeffers

### **III. Meeting Compensation Disclosure**

Pursuant to Government Code Section 54952.3: Disclosure of compensation for meeting attendance by City Council Members is \$650 monthly regardless of the amount of meetings.

### **IV. Proclamations, Certificates, Introductions And Ceremonial Actions**

#### **1. Proclamation Declaring November 9, 2021, As Law Enforcement Records And Support Personnel Day**

The City Council will issue a Proclamation declaring November 9, 2021, as Law Enforcement Records and Support Personnel Day in the City of South Gate. (PD)

Documents:

[ITEM 1 REPORT 11092021.PDF](#)

#### **2. Proclamations Commemorating Veterans Day - November 11, 2021**

The City Council will issue Proclamations commemorating November 11, 2021, as Veterans Day in honor of the great sacrifices made by the men and women who served in the Armed Forces. (CM)

Documents:

[ITEM 2 REPORT 11092021.PDF](#)

#### **3. Certificate Of Appreciation To Arthur Loya**

The City Council will issue a Certificate of Appreciation to Arthur Loya commemorating his bravery and self-sacrifice while serving in the Armed Forces during World War II and receiving the Bronze Star. (CM)

Documents:

[ITEM 3 REPORT 11092021.PDF](#)

### **V. Public Hearings**

#### **4. Ordinance Amending Title 13 (Franchises) And Adding Title 14 (Waste Handling And Recycling) To Comply With Senate Bill 1383**

The City Council will conduct a Public Hearing to consider waiving the reading of the full text and introducing the **Ordinance** \_\_\_\_\_ by Title

only, an Ordinance amending the South Gate Municipal Code to reorganize existing and add new waste handling and recycling provisions to comply with the mandatory organic recycling provisions of SB 1383. (PW)

Documents:

[ITEM 4 REPORT 11092021.PDF](#)

### **5. Resolution Approving A Joint Exercise Of Powers Agreement With CMFA Special Finance Agency And Related Documents For The Purchase Of The Jefferson SoLA Apartment Complex**

The City Council will consider: (CM)

- a. Adopting a **Resolution** \_\_\_\_\_ approving, authorizing, and directing the execution of a Joint Exercise of Powers Agreement relating to the Agency, and supporting the Agency's issuance of bonds for the production, preservation, and protection of middle-income rental housing ("Middle-Income Housing Program");
- b. Authorizing the City Manager to enter into a Public Benefit Agreement ("PBA"), substantially in the form attached, with the Agency;
- c. Authorizing the City Manager to execute related documents and take any additional actions that may be required to implement the Middle-Income Housing Program; and
- d. Accepting the determination that this proposed action is Exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c)(2) and 15060(c)(3) because it will not result in a direct or reasonably foreseeable indirect physical change in the environment, and it is not a "project" pursuant to Section 15378(b) (5) of the State CEQA Guidelines.

Documents:

[ITEM 5 REPORT 11092021.PDF](#)

## **VI. Comments From The Audience**

During this time, members of the public and staff may address the City Council regarding any items within the subject matter jurisdiction of the City Council. Comments from the audience will be limited to five (5) minutes per speaker; unless authorized by the Mayor, the time limit may not be extended by utilizing another member's time. There will be no debate or action on items not listed on the agenda unless authorized by law.

Note: The City Council desires to provide all members of the public with the opportunity to address the Council. Nevertheless, obscene language, comments intended to disrupt or interfere with the progress of the meeting or slanderous comments will not be tolerated and may result in ejection and/or may constitute a violation of South Gate Municipal Code Section 1.04.110.

## **VII. Reports And Comments From City Officials**

During this time, members of the City Council will report on matters pertaining to their service on various intergovernmental boards and commissions as a representative of the City pursuant to Assembly Bill 1234. City Council Members will also have an opportunity to comment on matters not on the agenda.

Following the City Council Members, reports and comments will be heard by the City Clerk, City Treasurer, City Manager and Department Heads.

## **VIII. Consent Calendar Items**

Agenda Items **6, 7, 8, 9, 10, 11, 12, 13, and 14** are consent Calendar Items. All items including Ordinances, Resolutions and Contracts, may be approved by adoption of the Consent Calendar, individually and collectively by one (1) motion. There will be no separate discussion of these items unless Members of the City Council, the public, or staff request that specific items be removed from the Consent Calendar for separate discussion and action.

Any Motion to introduce or adopt an Ordinance on the Consent Calendar shall be: (1) a motion to waive the reading of the Ordinance and introduce the Ordinance or (2) a motion to waive the reading of the Ordinance and adopt the Ordinance, as appropriate.

### **6. Ordinance Adopting Section 7.49.170 Of Title 7 Of The South Gate Municipal Code To Allow For Possession, Sale, And Consumption Of Alcoholic Beverages At Park Facilities**

The City Council will consider waiving the reading in full and adopting Ordinance No. 2021-10-CC amending Section 7.49.170 (Alcoholic Beverages, Narcotics, and other controlled substances) of chapter 7.49 (Park) of Title 7 (Public Safety and Morals), of the South Gate Municipal Code to allow for the possession, sale, and consumption of alcoholic beverages at park facilities and specified park areas provided that a permit is issued in accordance with approved permit requirements and guidelines adopted by the City Council. (PARKS)

Documents:

[ITEM 6 REPORT 11092021.PDF](#)

### **7. Ordinance Adopting Section 11.31.030 To Chapter 11.31 Of Title 11 Of The South Gate Municipal Code To Revise The City's Regulations Pertaining To Density Bonus For Affordable Housing**

The City Council will consider waiving the reading in full and adopting



Ordinance No. 2021-11 CC amending Section 11.31.030 (Definitions) to Chapter 11.31 (Density Bonus for Affordable Housing) and further deleting and replacing Table 11.31-1 (Determination of Density Bonus) in its entirety of Section 11.31.040 (Density Bonus), Sub-Section A (Determination of Density Bonus), and further deleting and replacing Table 11.31-3 (Number of Incentives) of Section 11.31.050 (Incentives), Sub-Section A (Number of Incentives), and further deleting and replacing Table 11.31-4 (Parking Requirements for Projects Receiving a Density Bonus) of Section 11.31.060 (Affordable Housing Requirements), Sub-section B.3. (Development Standards) of Title 11 (Zoning) of the South Gate Municipal Code to revise the City's regulations pertaining to density bonus for affordable housing. (CD)

Documents:

[ITEM 7 REPORT 11092021.PDF](#)

## **8. Resolution Approving Application(S) For Specified Grant Funds From The State Of California**

The City Council will consider: (PARKS)

- a. Adopting a **Resolution** \_\_\_\_\_ approving project application(s) for Specified Grant funds from the State of California Department of Parks and Recreation; and
- b. Delegating the authority to the Director of Parks & Recreation, or designee, to conduct all negotiations, sign and submit all documents including, but not limited to, applications, agreements, amendments, and payment requests which may be necessary for the completion of the grant scope(s) in a form acceptable to the City Attorney.

Documents:

[ITEM 8 REPORT 11092021.PDF](#)

## **9. Resolution Amending The Hourly Pay Table To Conform To Minimum Wage Law Effective January 1, 2022**

The City Council will consider adopting a **Resolution** \_\_\_\_\_ amending the Hourly Pay Table to update the hourly rates to conform to the minimum wage law effective January 1, 2022. (ADMIN SVCS)

Documents:

[ITEM 9 REPORT 11092021.PDF](#)

### **10. Resolution Authorizing Remote Teleconference Meetings**

The City Council will consider adopting a **Resolution** \_\_\_\_\_ authorizing remote teleconference meetings of the City Council, all City subordinate bodies, and all City non-profit corporation Boards and their subordinate bodies, for the period of November 12 - December 11, 2021. (CLERK)

Documents:

[ITEM 10 REPORT 11092021.PDF](#)

### **11. Amendment No. To Contract No. 3218 With Bank Of The West Extending Banking Services**

The City Council will consider: (ADMIN SVCS)

- a. Approving **Amendment No. 1 to Contract No. 3218**, Professional Services Agreement with Bank of the West, extending banking services for the period November 9, 2021, through November 30, 2022, and
- b. Authorizing the Mayor to execute Amendment No. 1 in the form acceptable to the City Attorney.

Documents:

[ITEM 11 REPORT 11092021.PDF](#)

### **12. Agreement With SmartCovers Systems, Inc., For Sewer Monitoring**

The City Council will consider: (PW)

- a. Approving an **Agreement (Contract No. \_\_\_\_\_)** with Hadronex, Inc., DBA SmartCover Systems, Inc., for monitoring, maintenance, and operation of the SmartCover System for a three-year term and a not-to-exceed the amount of \$114,468, or \$38,156 annually; and
- b. Authorizing the Mayor to execute the Agreement in a form acceptable to the City Attorney.

Documents:

[ITEM 12 REPORT 11092021.PDF](#)

### **13. Purchase Order Agreement With Pulsiam For Renewal Of Software Maintenance And Support Services**

The City Council will consider authorizing the issuance of a Purchase Order with Pulsiam to renew the Software Maintenance and Support Services for Fiscal Year 2021/2022 for the Police Department in the

amount of \$111,520.65. (PD)

Documents:

[ITEM 13 REPORT 11092021.PDF](#)

#### **14. Minutes**

The City Council will consider approving: (CLERK)

- a. The Special Joint Budget Meeting minutes of August 16, 2021; and
- b. The Regular and Special Meeting minutes of October 12, 2021.

Documents:

[ITEM 14 REPORT 11092021.PDF](#)

### **IX. Reports, Recommendations And Requests**

#### **15. Warrant Register For November 9, 2021**

The City Council will consider approving the Warrant Register for November 9, 2021: (ADMIN SVCS)

Total of Checks:     \$1,732,525.36

Voids:                 \$           (0.00)

Total of Payroll Deductions:   \$ (317,762.90)

Grand Total:           \$1,414,762.46

Documents:

[ITEM 15 REPORT 11092021.PDF](#)

### **X. Adjournment**

I, Carmen Avalos, City Clerk, certify that a true and correct copy of the foregoing Meeting Agenda was posted November 3, 2021 at 2:55 p.m. as required by law.

Carmen Avalos, CMC

City Clerk

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office

8650 California Avenue, South Gate, California 90280  
(323) 563-9510 \* fax (323) 563-5411 \* [www.cityofsouthgate.org](http://www.cityofsouthgate.org)

In compliance with the American with Disabilities Act, if you need special assistance to participate in the City Council Meetings, please contact the Office of the City Clerk.

Notification 48 hours prior to the City Council Meeting will enable the City to make reasonable arrangements to assure accessibility.

OCT 28 2021

**City of South Gate**  
CITY COUNCIL

**AGENDA BILL**

For the Regular Meeting of: November 9, 2021

Originating Department: Police

Department Director:  Interim City Manager:   
Darren Arakawa Chris Jeffers

**SUBJECT: PROCLAMATION DECLARING NOVEMBER 9, 2021, AS LAW ENFORCEMENT RECORDS AND SUPPORT PERSONNEL DAY**

**PURPOSE:** To recognize the South Gate Law Enforcement Records and Support Personnel for their valuable contributions to the Department and the community they serve.

**RECOMMENDED ACTION:** Mayor Al Rios will issue a Proclamation declaring November 9, 2021, as Law Enforcement Records and Support Personnel Day in the City of South Gate.

**FISCAL IMPACT:** No impact to the General Fund.

**ANALYSIS:** None.

**BACKGROUND:** Law enforcement agencies rely on records and support personnel to provide them with a variety of specialized clerical duties related to the preparation and maintenance of police records. Records and support personnel provide customer service to the public, departmental personnel and other agencies and are a tremendous asset to the Police Department.

The City Council wishes to extend gratitude to our Police Department Records and Support Personnel for their dedicated service.

**ATTACHMENT:** Proclamation

# City of South Gate



From the Honorable  
**Mayor**

## PROCLAMATION

*Declaring*  
**Law Enforcement  
Records and Support Personnel Day  
November 9, 2021**

- WHEREAS,* the protection of California's communities is dependent not only on the men and women who devote their time and energy to the duties of law enforcement service, but also on members of the support staff such as law enforcement records and support personnel who devote countless hours to performing the duties that keep our law enforcement agencies running smoothly; and
- WHEREAS,* law enforcement records and support personnel play a crucial role in helping law enforcement agencies identify, pursue, capture and process those suspected of breaking the law; and
- WHEREAS,* these professionals continually use their expertise and experience to assist in tracking felons, maintaining criminal statistics and improving apprehension strategies; and
- WHEREAS,* it is important to recognize California's law enforcement records and support personnel for their valuable contributions to law enforcement;

**NOW, THEREFORE,** be it proclaimed on this 9<sup>th</sup> day of October 2021, that **I, Al Rios, Mayor of the City of South Gate,** on behalf of the City Council and citizens of South Gate, do hereby proclaim November 9, 2021 as "Law Enforcement Records and Support Personnel Day" and duly thank our staff for their dedicated service and role in improving the quality of life in our community.

\_\_\_\_\_  
Mayor Al Rios

NOV 02 2021  
9:00 AM

*City of South Gate*  
CITY COUNCIL

AGENDA BILL

For the Regular Meeting of: November 9, 2021  
Originating Department: City Manager's Office

Management Assistant:   
Giselle Mares

Interim City Manager:   
Chris Jeffers

**SUBJECT: PROCLAMATION HONORING NOVEMBER 11TH AS VETERANS DAY AND RECOGNIZING THE SOUTH GATE VETERANS ORGANIZATIONS**

**PURPOSE:** To acknowledge and promote Veterans Day and recognize the local organizations that support veterans.

**RECOMMENDED ACTION:** The City Council will issue Proclamations commemorating November 11, 2021, as Veterans Day in honor of the great sacrifices made by the men and women who served in the Armed Forces.

**FISCAL IMPACT:** None.

**BACKGROUND:** Veterans Day is a U.S. legal holiday dedicated to American veterans of all wars. In 1919, November 11<sup>th</sup> was initially proclaimed as "Armistice Day" to honor our country's World War I veterans on the one-year anniversary of the signing of the armistice which brought an end to that war. In 1954, the name of the holiday was changed from Armistice Day to Veterans Day.

Veterans Day pays tribute to all American veterans, living or dead, but especially gives thanks to living veterans who served their country honorably during war or peacetime.

The City Council wishes to recognize and applaud all veterans for serving our country and acknowledge the great sacrifice made by the men and women in the Armed Forces.

- ATTACHMENTS:**
- A. Proclamation for the American Legion South Gate Post 335
  - B. Proclamation for the South Gate Fraternal Order of Eagles
  - C. Proclamation for the Veterans of Foreign Wars

# City of South Gate



From the Honorable  
**Mayor**

## PROCLAMATION

### To the American Legion South Gate Post 335

#### Recognizing Veterans Day November 11, 2021

- WHEREAS*, our nation was founded on the belief that all citizens are guaranteed the absolute rights of life, liberty, and the pursuit of happiness; and
- WHEREAS*, this freedom we enjoy as Americans does not come without a price; and
- WHEREAS*, our nation's military veterans have sacrificed to preserve and protect those rights from all enemies foreign and domestic; and
- WHEREAS*, in 1919, November 11<sup>th</sup> was initially proclaimed as "Armistice Day" to honor our country's World War I veterans on the one-year anniversary of the signing of the armistice which brought an end to that war; and
- WHEREAS*, in 1954, President Dwight D. Eisenhower signed legislation which proclaimed every November 11<sup>th</sup> as a day to honor all veterans of the United States Armed Forces; and
- WHEREAS*, citizens of the City of South Gate serve and have served in the United States Armed Forces.

**NOW, THEREFORE**, be it proclaimed on this 9<sup>th</sup> day of November 2021, that **I, Al Rios, Mayor of the City of South Gate**, on behalf of the City Council and citizens, do hereby proclaim November 11, 2021, as Veterans Day and recognize and applaud all veterans for their great service. I also invite all citizens to pay tribute to those who have served in the Armed Forces and sacrificed their lives for our freedom and our country.

\_\_\_\_\_  
Mayor Al Rios



# City of South Gate



From the Honorable  
**Mayor**

## PROCLAMATION

### To the Fraternal Order of Eagles

#### Recognizing Veterans Day November 11, 2021

- WHEREAS*, our nation was founded on the belief that all citizens are guaranteed the absolute rights of life, liberty, and the pursuit of happiness; and
- WHEREAS*, this freedom we enjoy as Americans does not come without a price; and
- WHEREAS*, our nation's military veterans have sacrificed to preserve and protect those rights from all enemies foreign and domestic; and
- WHEREAS*, in 1919, November 11<sup>th</sup> was initially proclaimed as "Armistice Day" to honor our country's World War I veterans on the one-year anniversary of the signing of the armistice which brought an end to that war; and
- WHEREAS*, in 1954, President Dwight D. Eisenhower signed legislation which proclaimed every November 11<sup>th</sup> as a day to honor all veterans of the United States Armed Forces; and
- WHEREAS*, citizens of the City of South Gate serve and have served in the United States Armed Forces.

**NOW, THEREFORE**, be it proclaimed on this 9<sup>th</sup> day of November 2021, that **I, Al Rios, Mayor of the City of South Gate**, on behalf of the City Council and citizens, do hereby proclaim November 11, 2021, as Veterans Day and recognize and applaud all veterans for their great service. I also invite all citizens to pay tribute to those who have served in the Armed Forces and sacrificed their lives for our freedom and our country.

\_\_\_\_\_  
Mayor Al Rios

# City of South Gate



From the Honorable  
**Mayor**

## PROCLAMATION

### To the Veterans of Foreign Wars

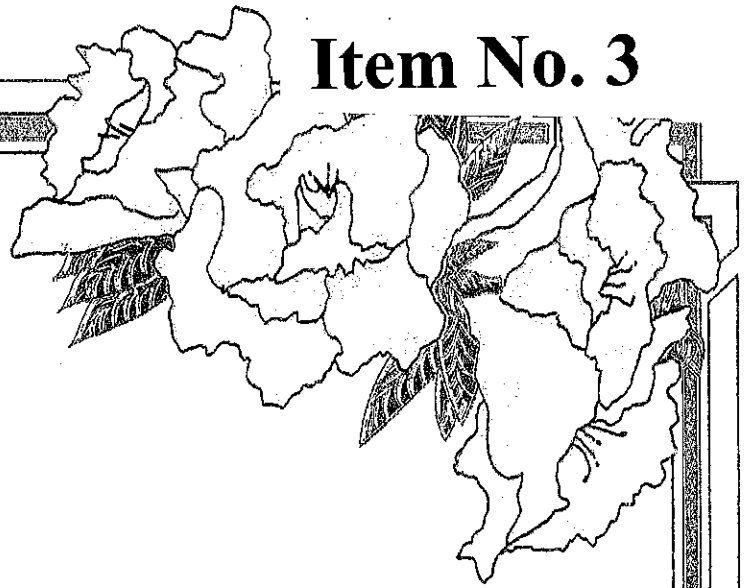
#### Recognizing Veterans Day November 11, 2021

- WHEREAS*, our nation was founded on the belief that all citizens are guaranteed the absolute rights of life, liberty, and the pursuit of happiness; and
- WHEREAS*, this freedom we enjoy as Americans does not come without a price; and
- WHEREAS*, our nation's military veterans have sacrificed to preserve and protect those rights from all enemies foreign and domestic; and
- WHEREAS*, in 1919, November 11<sup>th</sup> was initially proclaimed as "Armistice Day" to honor our country's World War I veterans on the one-year anniversary of the signing of the armistice which brought an end to that war; and
- WHEREAS*, in 1954, President Dwight D. Eisenhower signed legislation which proclaimed every November 11<sup>th</sup> as a day to honor all veterans of the United States Armed Forces; and
- WHEREAS*, citizens of the City of South Gate serve and have served in the United States Armed Forces.

**NOW, THEREFORE**, be it proclaimed on this 9<sup>th</sup> day of November 2021, that **I, Al Rios, Mayor of the City of South Gate**, on behalf of the City Council and citizens, do hereby proclaim November 11, 2021, as Veterans Day and recognize and applaud all veterans for their great service. I also invite all citizens to pay tribute to those who have served in the Armed Forces and sacrificed their lives for our freedom and our country.

\_\_\_\_\_  
Mayor Al Rios

City of South Gate



CERTIFICATE OF APPRECIATION

Presented by the  
South Gate City Council on Behalf  
of the Citizens of South Gate to:

*Arthur Loya*

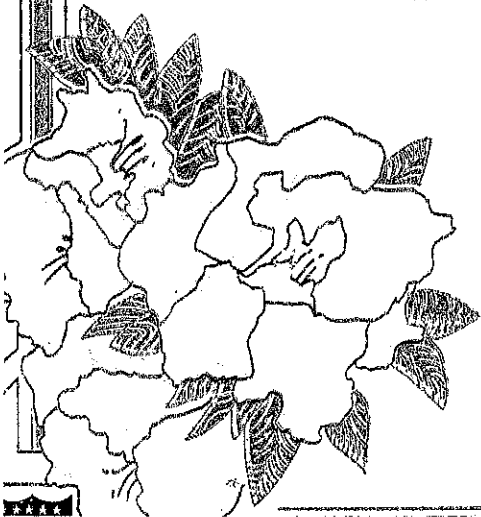
Commemorating your bravery and  
self-sacrifice while serving in the  
Armed Forces during World War II  
and receiving the Bronze Star.

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Al Rios, Mayor

November 9, 2021

*The Azalea City*



NOV 02 2021

12:00 PM

# City of South Gate

CITY COUNCIL

## AGENDA BILL

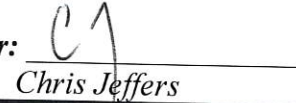
For the Regular Meeting of: November 9, 2021

Originating Department: Public Works

Department Director:

  
Arturo Cervantes

Interim City Manager:

  
Chris Jeffers

**SUBJECT: ORDINANCE AMENDING THE SOUTH GATE MUNICIPAL CODE TO REORGANIZE EXISTING AND ADD NEW WASTE HANDLING AND RECYCLING PROVISIONS TO COMPLY WITH THE MANDATORY ORGANIC RECYCLING PROVISIONS OF SB1383**

**PURPOSE:** Senate Bill 1383 (Lara) is existing State legislation that requires the reduction of organic waste in landfills. It impacts how solid waste is handled Statewide. The City must amend Title 13 (Franchises) and adding new Title 14 (Waste Handling and Recycling) to the Municipal Code to codify the requirements of SB 1383, which must be in effect by January 1, 2022. For organizational purposes, staff is also proposing to move the Chapters in Title 13 related to solid waste to the new Title 14 (Waste Handling and Recycling) as a part of the proposed Ordinance.

**RECOMMENDED ACTIONS:** Following the conclusion of a Public Hearing, the City Council will consider waiving the reading of the full text and introducing the Ordinance by Title only, an Ordinance amending the South Gate Municipal Code to reorganize existing and add new waste handling and recycling provisions to comply with the mandatory organic recycling provisions of SB 1383.

**NOTICING REQUIREMENTS:** A Public Hearing notice was duly published in the *Los Angeles Wave*, a newspaper of general circulation, on Thursday, October 28, 2021.

**FISCAL IMPACT:** The proposed Ordinance has several new organic waste recycling programs that are required to be implemented beginning January 1, 2022. These programs will be developed and implemented by staff and the City's trash hauler. The fiscal impact will be determined at the time that programs are developed and implemented.

**ANALYSIS:** The State regulates the solid waste industry with laws overseeing the disposition of solid waste. The State adopts new laws from time to time to change how solid waste is required to be managed. Senate Bill 1383 was adopted in September 2016, and it changed how organic waste is required to be managed statewide. SB 1383 makes organic waste recycling mandatory for all residential, commercial and industrial properties starting in 2022. Under this bill, the City is required to ensure waste haulers operating within the City provide organic waste recycling services. Residential, commercial and industrial properties are required to subscribe to organic waste recycling services. The City has taken steps to implement SB 1383 such as issuing a Request for Proposal for Solid Waste and Recycling Collection Services which includes organic waste recycling services. As the next step for compliance, the City Council is required to adopt an implementing ordinance. The following highlights the changes in the proposed Ordinance required for SB 1383 compliance:

- Organics Recycling - Requires organic waste collection for residents and business, inclusive of food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste.
- Edible Food Recovery - Establishes an edible food recovery program that recovers edible food from the waste stream and redistribute it for consumption through food recovery organizations and food recovery services.
- Education and Outreach - Requires the City to provide education and outreach to all affected/relevant parties including waste generators, haulers, facilities, edible food recovery organizations and City departments.
- Procurement Requirements - Requires the City to annually procure a quantity of recovered organic waste products that meets or exceeds the City's current annual recovered organic waste product procurement target determined by CalRecycle pursuant to 14 CCR Section 18993.1. This includes recycled organic waste products like compost, mulch, and renewable natural gas.
- Enforcement - Requires inspections and enforcement for SB1383 compliance beginning January 1, 2024.
- Conduct Capacity Planning - Requires the City to coordinate with the County of Los Angeles to determine the necessary organic waste recycling and edible food recovery capacity needed to divert organic waste and edible food from landfill.
- Solid Waste Management Services - Requires organic waste recycling services to be provided by the City through a franchise agreement with a waste hauler to all residents and businesses.
- Administrative Requirements - Requires extensive documentation of the City's programs for monitoring and reporting.

SB 1383 requires that the ordinance be in effect by January 1, 2022. Many of the programs identified above will be implemented by the City's waste hauler after the new franchise agreement is awarded which is anticipated to be in July 2022.

Title 13 "Franchises" of the City's municipal code is devoted to franchises granted by the City. However, the City's existing ordinances pertaining to solid waste and recycling are codified in Chapters 13.100 and 13.200 of Title 13. The proposed ordinance re-organizes the Municipal Code. The non-franchise-related solid waste and recycling chapters are proposed to be added to a new Title 14 of the Municipal Code to be called "Waste Handling and Recycling." Title 14 also includes chapters required by SB 1383. A summary of the proposed changes follows:

- Sections 13.100.220 through 13.100.390, inclusive, of the South Gate Municipal Code are deleted in their entirety and replaced with revised versions thereof contained in the new Title 14.
- Chapter 14.05 (Green Building Standards and Recycling of Organic Waste) adds a chapter required by AB 341 and AB 1826.
- Chapter 14.06 (Organic Waste Reductions) is required to be enacted pursuant to SB 1383. Each of the 17 Parts of this Chapter 14.06 corresponds to the 17 Articles of those regulations.
- Section 13.100.160 will be revised to add new subsection C.23, which states: "Such additional requirements, conditions, policies and procedures required by Title 14 of this Municipal Code."

**BACKGROUND:** In September 2016, SB 1383 was signed into law, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants in various sectors of California's economy. As it pertains to solid waste, SB 1383 establishes targets to achieve a 50 percent reduction in the level of the statewide disposal of organic waste by 2020, and a 75 percent

reduction by 2025. In addition, the regulations require that at least 20 percent of edible food that is currently disposed of is recovered for human consumption by 2025. The regulations include specific details for organics waste collection and food recovery programs that must be implemented by all jurisdictions and requires enforcement and reporting on these programs to demonstrate compliance.

SB1383 aims to enhance air quality. It builds upon California's commitments to reduce greenhouse gas emissions and air pollution statewide. Short-lived climate pollutant emissions, including methane emissions, have been identified as one of five key climate change strategy pillars necessary to meet California's target to reduce GHG emissions 40 percent below 1990 levels by 2030 as established in SB 32 (Payley). SB 1383 supports California's efforts to achieve the statewide 75% recycling goal by 2020 established by Assembly Bill 341 (Chesbro) and strengthens the implementation of mandatory commercial organic recycling established in Assembly Bill 1826 (Chesbro), currently in effect.

SB 1383 has a primary focus on recycling organic waste. It establishes targets to achieve a 50 percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025. It further requires that not less than 20 percent of currently disposed edible food is recovered for human consumption by 2025.

SB 1383 has a compliance timeline with several key implementation dates. The legislation takes effect and statewide enforcement begins on January 1, 2022. The legislation requires local governments to begin enforcement January 1, 2024. At that time, jurisdictions must take action against non-compliant commercial entities or themselves face daily fines up to \$10,000 by the State of California. Further, starting January 1, 2025, 20 percent of edible food disposed must be recovered.

SB1383 places several requirements on the City. Amongst other, the City must ensure organic waste collection service for all residential, commercial and industrial properties. It must conduct outreach and education to all affected parties. The City must establish an edible food recovery program that recovers edible food from the waste stream. It must ensure commercial edible food generators have access to food recovery services. The City must also inspect and enforce compliance. Further, it must procure recycled organic waste products like compost, mulch, and diesel gas equivalent.

The South Gate Municipal Code requires an amendment to enable the City to incorporate and enforce the requirements of SB 1383, by January 1, 2022.

CalRecycle has oversight of SB 1383. Amongst other, they will oversee and monitor compliance by jurisdictions. They will perform jurisdiction review, joint inspections with jurisdictions and review implementation record. Jurisdictions are subject to penalties for non-compliance.

**ATTACHMENTS:** A. Proposed Ordinance  
B. Notice of Public Hearing

GD:lc



**ORDINANCE NO. \_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, AMENDING THE SOUTH GATE MUNICIPAL CODE TO REORGANIZE EXISTING AND ADD NEW WASTE HANDLING AND RECYCLING PROVISIONS TO COMPLY WITH SB1383.**

**WHEREAS**, in 2016 Senate Bill 1383 was enacted, modifying state law with respect to short-lived climate pollutants, organic waste, landfills and other matters; and

**WHEREAS**, pursuant to that Senate Bill, in 2020 the California Department of Resources Recycling and Recovery (“CalRecycle”) enacted new state regulations, including those codified at Chapter 12 (Short-Lived Climate Pollutants) of Division 7 of Title 14 of the California Code of Regulations (“Chapter 12”); and

**WHEREAS**, the regulations set forth in Chapter 12 are binding upon the City of South Gate (the “City”) and require the City, not later than January 1, 2022, to “adopt enforceable ordinance(s), or similarly enforceable mechanisms that are consistent with the requirements of this Chapter, to mandate that organic waste generators, haulers, and other entities subject to the requirements of this Chapter that are subject to the [City’s] authority comply with the requirements of this Chapter”; and

**WHEREAS**, the City Council now wishes to adopt such ordinances in compliance with Chapter 12; and

**WHEREAS**, all of the City’s existing ordinances pertaining to recycling are currently codified at Chapters 13.100 and 13.200 of Title 13 of the City’s Municipal Code, a Title which is named “Franchises” and whose other ten chapters are devoted to franchises granted by the City; and

**WHEREAS**, while some of those existing recycling ordinances are appropriately codified in Title 13 because they pertain to franchises for the performance of recycling activities, others are unrelated to franchising and may lead those ordinances to be overlooked or misinterpreted; and

**WHEREAS**, in order to minimize that possibility, the City Council now wishes to consolidate its existing non-franchise-related recycling ordinances and the new ordinances required by Chapter 12 into a new Title 14 of the Municipal Code to be called “Waste Handling and Recycling”.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA DOES FIND AND ORDAIN AS FOLLOWS:**

**SECTION 1.** The South Gate Municipal Code is hereby amended to add a new Title 14, which shall be called “Waste Handling and Recycling”. Said new Title 14 contains Sections 14.01.010

through 14.06.17.040, the text of which is attached thereto as Exhibit "A" and incorporated herein by this reference.

**SECTION 2.** South Gate Municipal Code Section 13.100.160 is hereby revised to add new subsection C.23, which states:

23. Such additional requirements, conditions, policies and procedures required by Title 14 of this Municipal Code.

**SECTION 3.** Sections 13.100.220 through 13.100.390, inclusive, of the South Gate Municipal Code are deleted in their entirety and replaced with revised versions thereof contained in the new Title 14.

**SECTION 4.** All references herein to "this Ordinance" shall include the text set forth in Section 2 above and in Exhibit "A" attached hereto.

**SECTION 5.** If any Section, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this Ordinance, and each and every Section, subsection, sentence, clause and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

**SECTION 6.** This Ordinance shall be in full force and effect thirty (30) days after its final passage and adoption.

[Remainder of page left blank intentionally]



**SECTION 7.** The City Clerk shall certify to the adoption of this Ordinance and shall cause a copy of the same to be published in a manner prescribed by law.

**PASSED, APPROVED and ADOPTED** this 9<sup>th</sup> day of **November 2021**.

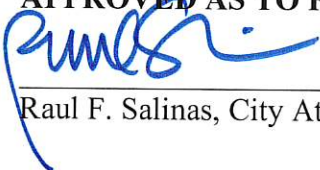
**CITY OF SOUTH GATE:**

\_\_\_\_\_  
Al Rios, Mayor

**ATTEST:**

\_\_\_\_\_  
Carmen Avalos, City Clerk  
(Seal)

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Raul F. Salinas, City Attorney

**Exhibit A**

**Title 14  
WASTE HANDLING AND RECYCLING**

**Chapter 14.01  
WASTE AND RECYCLABLES ON PUBLIC RIGHTS-OF-WAY**

**14.01.010 Litter**

A. Any person who deposits or causes to be deposited any solid waste or recyclable materials on the public right-of-way or on private property within public view, except in a container provided therefor as herein specified, shall immediately sweep up and remove the same.

B. Any person violating any provision of this Section shall be guilty of an infraction and shall be punishable as provided in Chapter 1.56 of Title 1 of this code.

*Source: former SGMC § 13.100.220, Ord. 1905 § 1 (Part), 8-11-92*

**14.01.020 Transfer of Loads on Public Streets**

No person shall transfer solid waste or recyclable materials from one collection vehicle to another on any public street or road unless such transfer is essential to the method of operation and is approved by the city manager, or is necessary owing to mechanical failure or accidental damage to a vehicle.

*Source: former SGMC § 13.100.230, Ord. 1905 § 1 (Part), 8-11-92*

**Chapter 14.02  
RESIDENTIAL COLLECTION**

**14.02.010 Residential Collection – Mandatory Service**

Every residential householder shall utilize the services of the collector having the exclusive franchise therefor. No residential householder shall enter into an agreement for residential refuse or recyclable materials collection services with a vendor other than the exclusive franchisee.

*Source: former SGMC § 13.100.250, Ord. 1905 § 1 (Part), 8-11-92*

**14.02.020 Residential Collection – Disposal and Status of Solid Waste or Recyclable Materials**

A. Solid Waste. All solid waste collected by a collector shall be disposed of by the collector in accordance with all federal, state and local laws and regulations, including without limitation Chapter 3 of this Title 14.

B. Recyclable Materials. Upon placement at the residential curbside for collection, all recyclable materials shall become the property of the collector holding the exclusive franchise for residential collection services.

*Source: former SGMC § 13.100.260, Ord. 1905 § 1 (Part), 8-11-92*

**14.02.030 Residential Collection – Frequency**

The residential collector shall collect all solid waste and recyclable materials placed for collection in compliance with this Chapter from each occupied residential premises in accordance with a schedule which has been approved by the city manager. Said schedule shall identify the routes and days of pickup for each collection district established within the city. Unless otherwise approved by the city council, collection of solid waste shall take place no less than once each calendar week. Collection of recyclable materials shall take place no less than once each calendar week. Not more than seven days shall elapse between collections of solid waste collections, nor between collections of recyclable materials.

*Source: former SGMC § 13.100.270, Ord. 1905 § 1 (Part), 8-11-92*

**14.02.040 Residential Collection – Solid Waste Containers**

All solid waste containers (for organic waste, non-organic recyclables, and non-organic waste) shall be provided by and be the property of the collector in accordance with Chapter 14.06 of this Title 14. Residential householders and other residential generators shall not provide waste containers. No cardboard box or paper bag may be used as a container for solid waste.

*Source: former SGMC §§ 13.100.280 & 13.100.290, Ord. 1905 § 1 (Part), 8-11-92, as modified per 14 CCR §§ 18984 through 18984.3*

**14.02.050 Residential collection – Placement and Removal of Containers**

Every residential householder shall place each solid waste container and recycling container for collection at the curb in front of the premises, or at the curb at the side of the premises where the premises are adjacent to more than one street. When the premises are adjacent to a paved alley with a minimum width of fifteen feet, the residential householder shall place the container within two feet of the rear property line for collection. No person shall place any such container for collection more than twenty-four hours before collection is scheduled to commence in the district, or leave any such container at the place of collection after eight p.m. on the day of collection, or more than two hours after actual collection, whichever is later.

*Source: former SGMC § 13.100.300, Ord. 1905 § 1 (Part), 8-11-92*

**14.02.060 Residential Collection – Care of Containers**

Upon collection, all solid waste containers shall be replaced by the collector, upright, where found, with the lids replaced, and all recycling containers shall be replaced in an upright position, at the location where found by the collector.

*Source: former SGMC § 13.100.310, Ord. 1905 § 1 (Part), 8-11-92*

**14.02.070 Residential Collection – Special Collection Services**

The exclusive residential collector shall provide, upon request from a residential householder, special collection of solid waste, at such rates as may be approved by the city and at such times as may be agreed upon by the collector and the person requesting the service. If no agreement is reached, such special collections shall be provided as determined by the city manager.

*Source: former SGMC § 13.100.320, Ord. 1905 § 1 (Part), 8-11-92*

**14.02.080 Unauthorized Removal from Containers**

A. No person other than the collector which provides collection services at residential premises, or the residential owner or householder occupying the residential premises in or upon which a solid waste container or recyclable materials container is placed at curbside for collection, shall remove any material from such container.

B. Any person violating any provision of this Section shall be guilty of either a misdemeanor or an infraction as determined by law enforcement officers, and shall be punishable as provided in Chapter 1.56 of this code.

*Source: former SGMC § 13.100.240, Ord. 1905 § 1 (Part), 8-11-92*

**Chapter 14.03  
COMMERCIAL/INDUSTRIAL COLLECTION**

**14.03.010 Commercial/Industrial Exclusive Franchise**

A. All solid waste collected from commercial/industrial premises for a fee, service charge, or other consideration, shall be collected by a solid waste enterprise under the provisions of an exclusive franchise awarded by the city council (“franchised collector”), subject only to the terminable and revocable continuation rights of certain qualified collectors which, upon the effective date of this Chapter, are operating under nonexclusive franchise agreements, and which collectors have been given written notification as required by Public Resources Code Section 49520. As used in this Chapter 14.03, the term “solid waste enterprise” shall have the meaning defined in Public Resources Code Section 40193, which is as follows: any individual, partnership, joint venture, unincorporated private organization, or private corporation, which is regularly engaged in the business of providing solid waste handling services.

B. No person, firm, corporation or solid waste enterprise, other than those referenced in subsection A of this Section, shall negotiate or contract for, undertake to receive, collect or transport solid waste from within the city for a fee, service charge or other consideration therefor, except only as hereinafter specifically provided.

C. Except as otherwise provided in this Chapter 14.03, each commercial/industrial business owner shall utilize the services of the franchised collector for the collection of solid waste from the commercial/industrial premises held or occupied by such commercial/industrial business owner and shall pay for such services the fees approved by the city council. No commercial/industrial business owner shall enter into an agreement for solid waste handling services with any person, firm or corporation other than the franchised collector, except as otherwise provided in this Chapter.

D. Nothing in this Chapter shall prevent a commercial/industrial business which, as of the effective date of this Chapter, has its own program for recycling materials generated by such business, and not utilizing a commercial or industrial solid waste enterprise which provides collection services for a fee, service charge, or other consideration, from continuing such recycling program; provided, however, that the recyclable materials included in such program are excepted from the exclusive franchise between the city and the franchised collector, and provided further, that such recycling program is in accordance with the provisions of Section 13.100.190 hereof.

E. Notwithstanding the provisions of subsection B of this Section, certain solid waste enterprises that have been authorized by a nonexclusive franchise agreement to provide solid waste handling services for commercial/industrial premises in the city may continue to provide these services until the rights thereunder are terminated or revoked, or until such rights expire by virtue of the provisions of Section 49520 of the Public Resources Code. Such solid waste enterprises are hereinafter referred to as "excepted collectors."

F. The exclusive franchise of the franchised collector shall not preclude a commercial/industrial business served by such an excepted collector from continuing to use the solid waste handling services of such excepted collector until the rights of such excepted collector to operate in the city are terminated or revoked or have expired; provided, however, if the rights of an excepted collector to provide such services to a commercial/industrial business owner are terminated or revoked for any reason, or if they expire by virtue of Section 49520 of the Public Resources Code, said business owner shall not use the services of any collector other than the franchised collector.

*Source: former SGMC § 13.100.330, Ord. 1905 § 1 (Part), 8-11-92*

#### **14.03.020 Commercial/Industrial – Disposal and Status of Solid Waste.**

The commercial/industrial collector shall collect and dispose of all solid waste generated and presented for collection at each commercial/industrial premises in conformity with the provisions of this Chapter 14.03 and Chapters 14.05 and 14.06 of this Title 14. Any such collection and disposal shall be in accordance with all applicable federal, state, and local laws and regulations and any controlling franchise agreement between the collector and the city. All solid waste collected by a commercial/industrial collector shall be the exclusive property of said collector.

*Source: former SGMC § 13.100.340, Ord. 1905 § 1 (Part), 8-11-92*

**14.03.030 Commercial/Industrial – Frequency and Hours of Collection**

A. Frequency. The commercial/industrial collector shall collect solid waste from commercial/industrial premises on a schedule which is agreed upon between the commercial/industrial business owner and the collector. In no event shall such collection schedule permit the accumulation of solid waste in quantities detrimental to public health or safety.

B. Hours. No collection of solid waste from commercial/industrial premises within five hundred feet of occupied residential premises shall be made between the hours of six p.m. and seven a.m. on the next day. No collection shall be made on Sunday unless specifically authorized in writing by the city manager. Hours and days of collection shall be subject to the prior approval of the city manager.

*Source: former SGMC § 13.100.350, Ord. 1905 § 1 (Part), 8-11-92*

**14.03.040 Commercial/Industrial – Containers**

A. Except to the extent prohibited or restricted by Chapter 14.06, every commercial/industrial business served by the franchised collector shall have the option to:

1. Provide the necessary container or containers to accommodate solid waste generated from said commercial/industrial business, which containers shall be compatible with the franchised collector's collection equipment.

2. Use the standard commercial/industrial solid waste container or containers provided by the franchised collector, which containers are compatible with the franchised collector's collection equipment. Where a commercial/industrial business owner is served by an excepted collector, such excepted collector and business owner shall determine by private agreement who is to provide the container.

B. Every collector which provides any container or other equipment used for the storage of commercial/industrial solid waste shall:

1. Place and maintain on the outside of such container, bin or other equipment, in legible letters and numerals not less than one inch in height, said collector's business name and telephone number, in a color contrasting to the background color of the container;

2. Provide containers on casters or hasps or locks upon request by the commercial/industrial business owner; and

3. Otherwise comply with the container requirements of Chapter 14.06.

*Source: former SGMC § 13.100.360, Ord. 1905 § 1 (Part), 8-11-92*

#### **14.03.050 Commercial/Industrial – Maintenance and Placement of Containers**

Solid waste containers provided by the collector shall be maintained in a clean and sanitary condition by the collector. Solid waste containers which are not provided by the collector shall be maintained in a clean and sanitary condition by the commercial/industrial business owner. Every commercial/industrial business owner shall provide a solid waste container location on the commercial/industrial premises and shall keep said area in good repair, clean and free of refuse outside of the container. Every collector shall remove any solid waste or litter that is spilled or deposited on the ground as a result of the collector's emptying of the container or other activities of the collector.

*Source: former SGMC § 13.100.370, Ord. 1905 § 1 (Part), 8-11-92*

#### **14.03.060 Commercial/Industrial – Care of Containers**

Upon collection of solid waste by the collector, all containers shall be replaced, upright, where found, with the lids closed. No person other than the owner thereof shall in any way, break, damage, roughly handle or destroy containers owned by said commercial/industrial business owner.

*Source: former SGMC § 13.100.380, Ord. 1905 § 1 (Part), 8-11-92*

#### **14.03.070 Commercial/Industrial – Special Circumstances**

If Particular commercial/industrial business premises require collections at times, frequencies or in a manner such that the franchised collector is unable to perform said collection in the normal course of business, or where unusual quantities of solid waste or special types of material are to be collected and disposed of, or where special methods of handling are required, the collector and the commercial/industrial business owner may make arrangements for such collection on mutually agreeable terms. If the business owner and the franchised collector do not agree as to the methods for the service provided for in this Section, the city manager shall determine the method of service. If the franchised collector is unable or unwilling to provide such service, the city manager may authorize the business

*Source: former SGMC § 13.100.390, Ord. 1905 § 1 (Part), 8-11-92*

### **Chapter 14.04 DEMOLITION-RELATED RECYCLING**

#### **14.04.010 Purpose**

The purpose of the ordinance codified in this Chapter is to reduce landfill waste from construction and demolition debris pursuant to the California Integrated Waste Management Act of 1989 by diverting fifty percent of its materials by December 31, 2000.

*Source: former SGMC § 13.200.010, Ord. 2192 § 1 (Part), 5-24-05*

#### 14.04.020 Definitions

For the purposes of this Chapter 14.04, the words, terms and phrases as defined in this Section shall be construed as hereinafter set forth, unless it is apparent from the context that a different meaning is intended:

- A. "AB 939" means the California Integrated Waste Management Act, established pursuant to California Assembly Bill 939 enacted September 30, 1989.
- B. "Applicant" means any individual, firm, limited liability company, association, Partnership, political subdivision, government agency, municipality, industry, public or private corporation, or any other entity whatsoever who applies to the city for the applicable permits to undertake any construction, demolition, or renovation project within the city.
- C. "Approved C & D facility" means a facility for the processing of construction and demolition debris that has been approved by and has entered into a written agreement with the city.
- D. "Construction" means the building of any facility or structure or any portion thereof including any tenant improvements to an existing facility or structure.
- E. "Construction and demolition debris" means used or discarded materials removed from premises during construction or renovation of a structure resulting from construction, remodeling, repair, or demolition operations on any pavement, house, commercial building, or other structure.
- F. "Conversion rate" means the rate set forth in the standardized conversion rate table approved by the city pursuant to this Chapter for use in estimating the volume or weight of materials identified in a waste reduction and recycling plan.
- G. "Covered project" shall have the meaning set forth in Section 13.200.030(A) of this Chapter.
- H. "Deconstruction" means the selective dismantling or removal of materials from buildings before or instead of demolition.
- I. "Demolition" means the decimating, razing, ruining, tearing down or wrecking of any facility, structure, pavement or building, whether in whole or in part, whether interior or exterior.
- J. "Diversion requirement" means the diversion of at least fifty percent of the total construction and demolition debris generated by a project via reuse or recycling, unless the applicant has been granted an impossibility exemption pursuant to Section 13.200.080 of this Chapter, in which case the diversion requirement shall be the maximum feasible diversion rate established by the WRRP compliance official for the project.



- K. "Divert" means to use materials for any purpose other than disposal in a landfill or transformation facility.
- L. "Noncovered project" shall have the meaning set forth in Section 13.200.030(A) of this Chapter.
- M. "Project" means any activity which requires an application for a building or demolition permit or any similar permit from the city.
- N. "Recycling" means the process of collecting, sorting, cleansing, treating, and reconstituting materials that would otherwise become solid waste, and returning them to the economic mainstream in the form of raw materials for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.
- O. "Renovation" means any change, addition, or modification to any existing structure.
- P. "Reuse" means further or repeated use of construction or demolition debris.
- Q. "Salvage" means the controlled removal of construction or demolition debris from a permitted building or demolition site for the purpose of recycling, reuse, or storage for later recycling or reuse.
- R. "Waste reduction and recycling plan", or "WRRP," means a completed WRRP form pertaining to a covered project, submitted by an applicant pursuant to Section 14.04.050 for the city's approval.
- S. "WRRP compliance official" means the director of community development or the designated staff person(s) authorized and responsible for implementing this Chapter.

*Source: former SGMC § 13.200.020, Ord. 2192 § 1 (Part), 5-24-05*

#### **14.04.030 Threshold for Covered Project**

- A. Private Projects. All construction, demolition, and renovation projects within the city the total costs of which are, or are projected to be, greater than or equal to fifty thousand dollars or are one thousand square feet or greater ("covered projects") shall comply with this Chapter 14.04. Failure to comply with any of the terms of this Chapter shall subject the project applicant to the full range of enforcement mechanisms set forth in Section 14.04.090 of this Chapter.
- B. City-Sponsored Projects. All city-sponsored construction, demolition, and renovation projects, shall be considered "covered projects" for the purposes of this Chapter.
- C. Compliance as a Condition of Approval. Compliance with the provisions of this Chapter shall be listed as a condition of approval on any building or demolition permit issued for a covered project.

*Source: former SGMC § 13.200.030, Ord. 2192 § 1 (Part), 5-24-05*

#### **14.04.040 Compliance Procedures for Covered Projects**

A. An applicant for a permit for a covered project may elect to comply with the requirements of this Chapter by following one of the two procedures specified below:

1. An applicant for a permit may arrange for delivery of all construction and demolition debris to an approved C & D facility. To exercise this option, the applicant must produce a written agreement for services with the approved C & D facility concurrently with submittal of the permit application. The selection of this option will exempt the applicant from the requirement to submit a waste reduction and recycling plan, but will not eliminate the need for submittal of diversion performance security.

2. An applicant for a permit may submit a waste reduction and recycling plan for review and approval pursuant to Section 14.04.050, unless an exemption is granted pursuant to Section 14.04.110 of this Chapter.

*Source: former SGM C § 13.200.040, Ord. 2192 § 1 (Part), 5-24-05*

#### **14.04.050 Submission of Waste Reduction and Recycling Plan**

A. WRRP Forms. Except for those applicants described in Section 14.04.040(A)(1) of this Chapter, applicants for building or demolition permits involving any covered project shall complete and submit a waste reduction and recycling plan, on a WRRP form approved by the city for this purpose as Part of the application packet for the building or demolition permit. The completed WRRP shall indicate all of the following:

1. The estimated volume or weight of project C & D debris, by materials type, to be generated;
2. The maximum volume or weight of such materials that can feasibly be diverted via reuse or recycling;
3. The vendor or facility that the applicant proposes to use to collect or receive that material; and
4. The estimated volume or weight of C & D materials that will be landfilled; and
5. Any special or specific activities that the applicant will use to comply with the provisions of this Section.

B. City Projects. All city-sponsored projects pertaining to construction, renovation and/or demolition under the conditions in Section 14.04.030(B) of this Chapter will be required to submit the WRRP form to the recycling coordinator or the designated person authorized in the data collection for AB 939 reporting. City projects are required to implement this ordinance in the detail for job specifications.

C. Calculating Volume and Weight of Debris. In estimating the volume or weight of materials identified in the WRRP, the applicant shall use the standardized conversion rates approved by the city for this purpose.

D. Deconstruction. In preparing the WRRP, applicants for building or demolition permits involving the removal of all or Part of an existing structure shall consider deconstruction, to the maximum extent feasible, and shall make the materials generated thereby available for salvage prior to landfilling.

*Source: former SGMC § 13.200.050, Ord. 2192 § 1 (Part), 5-24-05*

#### **14.04.060 Review of Waste Reduction and Recycling Plan**

A. Approval. Notwithstanding any other provision of this code, no building or demolition permit shall be issued for any covered project unless and until the WRRP compliance official has approved the WRRP. Approval shall not be required, however, where an emergency demolition is required to protect public health or safety, the WRRP compliance official shall only approve a WRRP if he or she first determines that all of the following conditions have been met:

1. The WRRP provides all of the information set forth in Section 14.05.040 of this Chapter; and
2. The WRRP indicates that at least fifty percent of all C & D debris generated by the project will be diverted.

If the WRRP compliance official determines that these three conditions have been met, he or she shall mark the WRRP "Approved," return a copy of the WRRP to the applicant, notify the building division that the WRRP has been approved, and send a copy to the recycling coordinator or the designated person authorized in the data collection for AB 939 annual reporting.

B. Nonapproval. If the WRRP compliance official determines that the WRRP is incomplete or fails to indicate that at least fifty percent of all C & D debris generated by the project will be reused or recycled, he or she shall either:

1. Return the WRRP to the applicant marked "Denied," including a statement of reasons, and so notify the building division, which shall then immediately stop processing the building or demolition permit application; or
2. Return the WRRP to the applicant marked "A Further Explanation Required" including a statement of reasons, and so notify the building division, which shall then immediately stop processing the building or demolition permit application.

*Source: former SGMC § 13.200.060, Ord. 2192 § 1 (Part), 5-24-05*

#### **14.04.070 Diversion Performance Security**

An applicant for a permit for a covered project must submit with the permit application a diversion performance deposit to guarantee compliance with the diversion requirements of the Chapter. The deposit must be in the form of cash or a cash equivalent, such a certified check or cashier's check. The amount of the performance security for individual projects or classes of projects will be established by resolution of the city council. The WRRP compliance official may, in the exercise of reasonable discretion, reduce the deposit for a covered project if it is determined that the amount of the required deposit is not commensurate with the volume of construction and demolition debris that is expected to be generated by a covered project.

*Source: former SGMC § 13.200.070, Ord. 2192 § 1 (Part), 5-24-05*

#### **14.04.080 Use of Diversion Performance Deposits**

A. Diversion performance deposits received will be deposited in a special account to be used only for the following purposes:

1. The payment of refunds of diversion performance deposits;
2. The payment of costs incurred in administering the activities set forth in this Chapter 14.04; and
3. The development and implementation of additional policies and programs that are approved by the city council to promote the diversion of construction and demolition debris.

*Source: former SGMC § 13.200.080, Ord. 2192 § 1 (Part), 5-24-05*

#### **14.04.090 Compliance – Projects Using Approved C & D Facility**

Within (30) thirty days after the completion of any covered project, the applicant shall submit to the WRRP compliance official all weight tickets issued by the approved C & D facility, and a certification under oath that all construction and demolition debris generated was delivered to the approved C & D facility. The form of the certification will be developed by the WRRP compliance official. Upon submittal and review of the documentation by the WRRP compliance official, the diversion performance security will be refunded to the applicant. In the event of noncompliance, the city may withhold all or Part of the performance security, based on the determination of the WRRP compliance official as to the extent of noncompliance.

*Source: former SGMC § 13.200.090, Ord. 2192 § 1 (Part), 5-24-05*

#### **14.04.100 Compliance – Projects Submitting Waste Reduction and Recycling Plans.**

A. Documentation. Within thirty (30) days after the completion of any covered project, the applicant shall submit to the WRRP compliance official documentation that it has met the diversion requirement for the project. The diversion requirement shall be that the applicant has diverted at least fifty percent of the total C & D debris generated by the covered project via reuse or recycling, unless the applicant has been granted an exemption pursuant to Section 14.04.110

of this Chapter, in which case the diversion requirement shall be the maximum feasible diversion rate established by the WRRP compliance official for the project. This documentation shall include all of the following:

1. Receipts from the vendor or facility which collected or received each material showing the actual weight or volume of that material;
2. A copy of the previously approved WRRP for the project adding the actual volume or weight of each material diverted and landfilled;
3. Any additional information the applicant believes is relevant to determining its efforts to comply in good faith with this Chapter.

B. Weighing of Wastes. Applicants shall make reasonable efforts to ensure that all C & D debris diverted or landfilled are measured and recorded using the most accurate method of measurement available. To the extent practical, all C & D debris shall be weighed by measurement on scales. Such scales shall be in compliance with all regulatory requirements for accuracy and maintenance. For C & D debris for which weighing is not practical due to small size or other considerations, a volumetric measurement shall be used. For conversion of volumetric measurements by weight, the applicant shall use the standardized conversion rates approved by the city for this purpose.

C. Determination of Compliance and Release of Performance Security. The WRRP compliance official shall review the information submitted under subsection (C)(2) of this Section and determine whether the applicant has complied with the diversion requirement, as follows:

1. Full Compliance. If the WRRP compliance official determines that the applicant has fully complied with the diversion requirement applicable to the project, he or she shall receive the WRRP "Approved," return a copy of the WRRP to the applicant, notify the building division that the WRRP has been approved, and send a copy to the recycling coordinator or the designated person authorized in the data collection for AB 939 annual reporting. The performance security will be refunded to the applicant.
2. Good Faith Effort to Comply. If the WRRP compliance official determines that the diversion requirement has not been achieved, he or she shall determine on a case-by-case basis whether the applicant has made a good faith effort to comply with this Chapter 14.04. In making this determination, the WRRP compliance official shall consider the availability of markets for the C & D debris landfilled, the size of the project, and the documented efforts of the applicant to divert C & D debris. If the WRRP compliance official determines that the applicant has made a good faith effort to comply with this Chapter, he or she shall receive the WRRP "Approved," return a copy of the WRRP to the applicant, notify the building division that the WRRP has been approved, and send a copy to the recycling coordinator or the designated person authorized in the data collection for AB 939 annual reporting. The performance security will be refunded to the applicant.

3. Noncompliance. If the WRRP compliance official determines that the applicant has not made a good faith effort to comply with this Chapter, or if the applicant fails to submit the documentation required by subsection A of this Section within the required time period, the applicant will be deemed to be in violation of this Chapter for failure to comply with its requirements. The city may withhold all or Part of the performance security, based on the determination of the WRRP compliance official as to the extent of noncompliance.

*Source: former SGMC § 13.200.100, Ord. 2192 § 1 (Part), 5-24-05*

#### **14.04.110 Exemption of Waste Reduction and Recycling Plan**

A. Application. If an applicant for a covered project experiences unique circumstances that the applicant believes make it infeasible to comply with the diversion requirement, the applicant may apply for an exemption at the time that he or she submits the WRRP required under Section 14.04.040 above. The applicant shall indicate on the WRRP the maximum rate of diversion he or she believes is feasible for each material and the specific circumstances that he or she believes make it infeasible to comply with the diversion requirement.

B. Meeting with WRRP Compliance Official. The WRRP compliance official shall review the information supplied by the applicant and may meet with the applicant to discuss possible ways of meeting the diversion requirement.

C. Granting of Exemption. If the WRRP compliance official determines that it is infeasible for the applicant to meet the diversion requirement due to unique circumstances, he or she shall determine the maximum feasible diversion rate for each material and shall indicate this rate on the WRRP submitted by the applicant. The WRRP compliance official shall return a copy of the WRRP to the applicant marked "Approved for Exemption" and shall notify the building division that the WRRP has been approved.

D. Denial of Exemption. If the WRRP compliance official determines that it is possible for the applicant to meet the diversion requirement, he or she shall so inform the applicant in writing. The applicant shall have thirty days to resubmit a WRRP form in full compliance with Section 14.04.040 above. If the applicant fails to resubmit the WRRP, or if the resubmitted WRRP does not comply with Section 14.04.040 of this Chapter, the WRRP compliance official shall deny the WRRP in accordance with Section 14.04.060 of this Chapter.

*Source: former SGMC § 13.200.110, Ord. 2192 § 1 (Part), 5-24-05*

#### **14.05.120 Enforcement**

The director of community development, or his or her designee, is authorized to enforce Sections 14.04.030 through 14.04.110 of this Chapter 14.04 as follows:

A. Any violation of the provisions of this Chapter, including the submittal of a false certification under Section 14.04.090 of this Chapter, shall constitute as a misdemeanor and shall be punishable pursuant to Section 1.56.040 of the municipal code.

B. The penalties and remedies established by this Chapter are not exclusive, and nothing in this Chapter shall preclude any person from seeking any other remedies, penalties, or procedures provided by law.

C. Enforcement pursuant to this Section shall be undertaken by the city through its director of community development and/or the city attorney.

*Source: former SGMC § 13.200.120, Ord. 2192 § 1 (Part), 5-24-05*

#### **14.04.130 Designation of approved C & D facilities.**

The WRRP compliance official is authorized to enter into a written agreement with one or more construction and demolition debris processing facilities, ensuring that the facility can meet or exceed the diversion goals set forth in this Chapter, as well as providing appropriate insurance and indemnification as may be recommended by the city attorney. Upon execution of such an agreement, the facility will be designated by the city as an approved C & D facility.

*Source: former SGMC § 13.200.120, Ord. 2192 § 1 (Part), 5-24-05*

## **Chapter 14.05 GREEN BUILDING STANDARDS AND RECYCLING OF ORGANIC WASTE**

#### **14.05.010 Purpose**

The purpose of the ordinances codified in this Chapter 14.05 is to comply with the provisions of Chapters 12.8 (Recycling of Commercial Solid Waste) and 12.9 (Recycling of Organic Waste) of Part 3 of Division 30 of California's Public Resources Code, which were added by Assembly Bill 341 (October 5, 2011) and Assembly Bill 1826 (September 28, 2014), respectively.

*Statutory Reference: Public Resources Code §§ 42649.1 through 42649.7 and 42649.8 through 42649.87*

#### **14.05.010 Definitions**

For the purposes of this Chapter 14.05, the words, terms and phrases as defined in this Section shall be construed as hereinafter set forth, unless it is apparent from the context that a different meaning is intended:

A. **Business.** "business" means (i) a commercial or public entity, including, but not limited to, a firm, partnership, proprietorship, joint stock company, corporation, or association that is organized as a for-profit or nonprofit entity, or (ii) a multifamily residential dwelling.

B. **Commercial Solid Waste.** "commercial solid waste" means all types of solid wastes generated by stores, offices and other commercial sources, excluding residences, and excluding industrial wastes.

C. Organic Waste. "organic waste" means food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste.

D. Self-Haul. "self-haul" means to act as a self-hauler.

E. Self-Hauler. "self-hauler" means a business that hauls its own waste rather than contracting for that service.

F. Waste Generator. "waste generator" means (i) a business (other than a multifamily residential dwelling) operating in the City of South Gate that generates more than four (4) cubic yards of commercial solid waste per week, and (ii) a multifamily residential dwelling of five units or more.

*Statutory Reference: Public Resources Code §§ 42649.1 & 42649.8*

#### **14.05.020 Commercial Solid Waste Recycling**

A. A business that is a waste generator shall arrange for recycling services consistent with this Section 14.05.020 by taking at least one of the following actions:

1. Source separate recyclable materials from solid waste and subscribe to a basic level of recycling service that includes collection, self-hauling, or other arrangements (which must comply with the requirements of this Title 14) for the pickup of recyclable materials. A waste generator that elects to self-haul shall obtain a self-hauling permit from the City and shall otherwise comply with the requirements of Section 13.100.420 above.

2. Subscribe to a recycling service that may include mixed waste processing that yields diversion results comparable to source separation.

B. A property owner of a multifamily residential dwelling may require tenants to source separate their recyclable materials to aid in compliance with this Section 14.05.020.

*Statutory Reference: Public Resources Code § 42649.2*

#### **14.05.030 Organic Waste Recycling**

A. A business that is a waste generator shall arrange for recycling services specifically for organic waste consistent with this Section 14.05.030. The requirements of this Section 14.05.030 shall be in addition to, and not instead of, the requirements of Section 14.05.020.

B. A business that is a waste generator shall take at least one of the following actions:

1. Source separate organic waste from other waste and subscribe to a basic level of organic waste recycling service that includes collection and recycling of organic waste.



2. Recycle its organic waste onsite or self-haul its own organic waste for recycling. A waste generator that elects to self-haul shall obtain a self-hauling permit from the City and shall otherwise comply with the requirements of Section 13.100.420 above.

3. Subscribe to an organic waste recycling service that may include mixed waste processing that specifically recycles organic waste.

4. Make other arrangements consistent with any of the following: (a) a franchise granted by the City; (b) a contract, license, or permit to collect solid waste previously granted by the City; or (c) the existing right of a business to sell or donate its recyclable organic waste materials.

C. A business that is a property owner may require a lessee or tenant of that property to source separate their organic waste to aid in compliance with this Section 14.05.030.

D. A business generating organic waste which is subject to this Section 14.05.030 shall arrange for the recycling services required by this Section in a manner that is consistent with the requirements of this Title 14.

E. The contract or work agreement between a business subject to this Section 14.05.030 and a gardening or landscaping service shall require that the organic waste generated by those services be managed in compliance with this Chapter 14.05. The "gardener's exclusion" set forth in Section 13.100.180 above is not intended to, and shall not, limit the applicability of this subsection E.

F. A business that is a multifamily dwelling is not required to arrange for the organic waste recycling services specified in subsection B of this Section 14.05.030 for food waste that is generated by the business, except as otherwise required by this Title 14.

*Statutory Reference: Public Resources Code § 42649.81*

#### **14.05.040 Fees**

A. The City may charge and collect a fee from a business that is a waste generator in order to recover the City's costs incurred in any or all of the following: (i) enforcing Section 14.05.020; (ii) creating, implementing, revising, replacing or administering the commercial solid waste recycling program which the City is obligated to implement pursuant to Public Resources Code Section 42649.3; and (iii) otherwise complying with the requirements of Chapter 12.8 (Recycling of Commercial Solid Waste) of Part 1 (Integrated Waste Management) of Division 30 (Waste Management) of California's Public Resources Code.

B. In addition to the fee authorized by subsection A above, the City may also charge and collect a fee from a business that is a waste generator in order to recover the City's costs incurred in any or all of the following: (i) enforcing Section 14.05.030; (ii) creating, implementing, revising, replacing or administering the organic waste recycling program which the City is obligated to implement pursuant to Public Resources Code Section 42649.82 and (iii) otherwise complying with the requirements of Chapter 12.9 (Recycling of Organic Waste) of Part 1

(Integrated Waste Management) of Division 30 (Waste Management) of California's Public Resources Code.

*Statutory Reference: Public Resources Code §§ 42649.6 & 42649.85*

**14.05.050 Enforcement Provisions**

A. Each business that is a waste generator must, by March 15 of each year, report to the City (on forms approved by the City) information regarding that business' compliance with Sections 14.05.020 and 14.05.030. That report shall include information as to (i) how commercial solid waste and organic waste are being recycled; (ii) the types of commercial solid waste and organic waste being recycled; (iii) the yearly total amount, in pounds or tons, of commercial solid waste and organic waste being recycled; (iv) any other information reasonably requested by the City relative to the business' compliance with Sections 14.05.020 and 14.05.030; and (v) any relevant information otherwise required by Chapter 14.06.

B. Any business that has not submitted the report required under subsection A above by March 15 may be issued a warning by the City.

C. Any business that has not submitted the report required under subsection A above by April 1 may be issued a citation by the City. The citation will require payment by the business of a fine in an amount to be determined by the City.

D. Subsequent failures by a business to comply with the requirements of subsection A above may subject the business to additional fines and penalties, at such times and in such amounts as the City deems necessary to enforce compliance with the provisions of this Chapter 14.06.

E. In addition to the remedies set forth in subsections C and D above, the City shall have the right to take other actions which the City deems necessary to enforce a business' compliance with the provisions of this Chapter 14.05, including without limitation (i) revoking the business's self-hauling permit, if any, and/or (ii) enrolling the business in any commercial solid waste recycling program and/or any organic waste recycling program operated by the City, operated by a waste hauler franchised by the City, or operated by any other designee as that term is defined in Section 14.06.01.020 below.

*Statutory Reference: Public Resources Code §§ 42649.3(e) & 42649.82(e)(1)*

# Chapter 14.06 ORGANIC WASTE REDUCTIONS

## Part 1 Purpose and Definitions

### 14.06.01.010 Purpose

A. The purpose of the ordinances codified in this Chapter 14.06 is to comply – and to cause waste generators, waste haulers, solid waste facilities, and other entities to comply – with the organic waste reduction regulations adopted by the California Department of Resources Recycling and Recovery (otherwise known as CalRecycle) pursuant to Senate Bill 1383 (September 19, 2016), which regulations become effective January 1, 2022.

B. The City may designate a public or private entity to fulfill the City’s responsibilities under this Chapter 14.06. That designation may be made through any one or more of the following: (1) contracts with haulers or other private entities; or (2) agreements (such as Memoranda of Understanding, or MOUs) with other jurisdictions, entities, regional agencies (as defined in Public Resources Code section 40181.1) or other government entities, including environmental health departments.

C. Notwithstanding subsection B above, the City shall remain ultimately responsible for compliance with the requirements of this Chapter.

D. Nothing in this Chapter authorizes the City to delegate its authority to impose civil penalties, or to maintain an action to impose civil penalties, to a private entity.

E. If the City designates another entity as authorized by subsection B above, the City shall include copies of all agreements and contracts in the Implementation Record required by Section 14.06.01.14.020.

F. Subdivision B above sets forth the exclusive methods by which the City may designate a public or private entity to fulfill the City’s responsibilities under this Chapter. Nothing in this Section authorizes the City to require a public or private entity to fulfill the City’s obligations under this Chapter without designating the entity through a mechanism authorized in Subdivision B above.

*Regulatory Reference: SB 1383 (2016) and 14 CCR §§ 18981.1 and 18981.2*

### 14.06.01.020 – Definitions.

For the purposes of this Chapter 14.06, the words, terms and phrases as defined in this Section shall be construed as hereinafter set forth, unless it is apparent from the context that a different meaning is intended:

A. “Biosolids” means solid, semi-solid, or liquid residue generated during the treatment of domestic sewage in a treatment works. Biosolids includes, but is not limited to, treated domestic septage and scum or solids removed in primary, secondary, or advanced wastewater treatment

processes. Biosolids includes the residue solids resulting from the co-digestion of anaerobically digestible material with sewage sludge. Biosolids does not include ash generated during the firing of sewage sludge in a sewage sludge incinerator or grit and screenings generated during the preliminary treatment of domestic sewage in a treatment works.

- B. "Blue container" means a container where either (1) the lid of the container is blue in color, or (b) the body of the container is blue in color and the lid is either blue, gray, or black in color. Hardware such as hinges and wheels on a blue container may be any color.
- C. "CalRecycle" means the California Department of Resources Recycling and Recovery.
- D. "CCR" means the California Code of Regulations.
- E. "City" means the City of South Gate.
- F. "Commercial edible food generator" means a tier one or tier two commercial edible food generator. For purposes of this Chapter, food recovery organizations and food recovery services are not commercial edible food generators.
- G. "Community composting" means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4).
- H. "Consolidation Site" means facilities or operations that receive solid waste for the purpose of storing the waste prior to transfer directly from one container to another or from one vehicle to another for transportation and which do not conduct processing activities. Consolidation activities include, but are not limited to, limited volume transfer operations, sealed container transfer operations, and direct transfer facilities.
- I. "Designated source separated organic waste facility" means a solid waste facility that accepts a source separated organic waste collection stream and is either (a) a transfer/processor as defined in and meeting the requirements of 14 CCR Section 18982, Subsection (14.5)(A), or (2) a composting operation or composting facility as defined in and meeting the requirements of 14 CCR Section 18982, Subsection (14.5)(B).
- J. "Designee" means an entity that the City contracts with or otherwise arranges to carry out any responsibilities of this Chapter, as authorized in Section 14.06.01.010, subsection B. A designee may be a government entity, a hauler, a private entity, or a combination of those entities.
- K. "Digestate" means the solid and/or liquid material remaining after organic material has been processed in an in-vessel digester.
- L. "Disaster" means a natural catastrophe such as an earthquake, fire, flood, landslide, or volcanic eruption, or, regardless of cause, any explosion, fire, or flood.

M. “Disaster debris” means nonhazardous solid waste caused by or directly related to a disaster.

N. “Food recovery” means actions to collect and distribute for human consumption food which otherwise would be disposed.

O. “Food recovery organization” means an entity that engages in the collection or receipt of edible food from commercial edible food generators and distributes that edible food to the public for food recovery either directly or through other entities, including, but not limited to (a) a food bank as defined in Section 113783 of the Health and Safety Code, (b) a nonprofit charitable organization as defined in Section 113841 of the Health and Safety Code, and (c) a nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

P. “Food recovery service” means a person or entity that collects and transports edible food from a commercial edible food generator to a food recovery organization or other entities for food recovery.

Q. “Generator” means a person or entity who creates waste or disposes of waste, whether such disposal occurs in a collection container provided by the City, by a hauler franchised by the City, or in any other manner or location within the City. Any person residing in the City, and any business operating in the City, is deemed to be a generator unless that person or business can prove that he, she or it does not create or dispose of any waste in the City.

R. “Green container” means a container where either (1) the lid of the container is green in color, or (b) the body of the container is green in color and the lid is either green, gray, or black in color. Hardware such as hinges and wheels on a green container may be any color.

S. “Gray container” means a container where either (1) the lid of the container is gray or black in color, or (b) the body of the container is entirely grey or black in color and the lid is either gray or black in color. Hardware such as hinges and wheels on a gray container may be any color.

T. “Hauler” means a person who collects material from a generator and delivers it to a reporting entity, end user, or destination outside of the State of California. “Hauler” includes public contract haulers, private contract haulers, food waste self-haulers, and self-haulers. A person who transports material from a reporting entity to another person is a transporter, not a hauler.

U. “High Diversion Organic Waste Processing Facility” means a facility that is in compliance with the reporting requirements of 14 CCR Section 188154.5(d) and meets or exceeds an annual average mixed waste organic content recovery rate of fifty percent (50%) between January 1, 2022 and December 31, 2024, and seventy-five percent (75%) after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5(e) for organic waste received from the “Mixed Waste Organic Collection Stream” as defined in 14 CCR Section 17402(a)(11.5).

V. "Implementation Record" means the collection of records demonstrating the City's compliance with this Chapter 14.06 which is required to be maintained pursuant to Section 14.06.14.020.

W. "Landfill disposal" means dispositions of organic waste in any location or by any method specified in subsection A of Section 14.06.02.010.

X. "Large event" means an event (including without limitation a sporting event or a flea market) that charges an admission price, or is operated by a local agency, and serves an average of more than two thousand (2,000) individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event.

Y. "Large venue" means a permanent venue facility that annually seats or serves an average of more than two thousand (2,000) individuals within the grounds of the facility per day of operation of the venue facility. For purposes of this Chapter 14.06, a venue includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For the purposes of this Chapter 14.06, a site under common ownership or control that includes more than one large venue that is contiguous with other large venues in the site, is a single large venue.

Z. "Organic Waste" means solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges.

AA. "Organic Waste Generator" means any generator who creates or disposes of organic waste.

BB "Performance-based source separated collection service" means a solid waste collection service that meets the requirements of Section 14.06.17.010, subsection A.

CC. "POTW" means publicly owned treatment works as defined by Section 403.(q) of Title 40 of the Code of Federal Regulations.

DD. "Prohibited container contaminants" means any of the following (but does not include organic waste specifically allowed for collection in a container that is required to be transported to a high diversion organic waste processing facility of thee waste is specifically identified as acceptable for collection in that container in a manner that complies with the requirements of Sections 14.06.03.020, 14.06.03.030 or 14.06.03.040): (1) non-organic waste placed in a green container that is part of an organic waste collection service provided pursuant to Section 14.06.03.020 or 14.06.03.030; (2) organic wastes that are carpet, hazardous wood waste, or non-compostable paper placed in the green container that is part of an organic waste collection service provided pursuant to Section 14.06.03.020 or 14.06.03.030; (3) organic wastes, placed in a gray container, that pursuant to Section 14.06.03.020 or 14.06.03.030; were intended to be collected separately in the green container or blue container; and (4) organic wastes placed in the blue container when those wastes were specifically identified in this Chapter 14.06 for collection

in the green container for recovery, provided, however, that paper products, printing and writing paper, wood, and dry lumber may be considered acceptable and not considered container contaminants if they are placed in the blue container.

EE. "Reporting entity" means a person who is required to register and report to CalRecycle, pursuant to 14 CCR Section 18815.3, regarding material handling activities pursuant to 14 CCR Sections 18815.4 through 18815.8, within the following reporting entity categories: (1) haulers; (2) transfer/processors; (3) recycling and composting facilities and operations; (4) disposal facilities; and (5) brokers and transporters.

FF. "Source separated organic waste" means organic waste that is placed in a container that is specifically intended for the separate collection of organic waste by the generator.

GG "Three-container" means collection services provided pursuant to Section 14.06.03.020.

HH. "Tier one commercial edible food generators" means a commercial edible food generator that is one of the following: (1) a supermarket; (2) a grocery store with a total facility size equal to or greater than 10,000 square feet; (3) a food service provider; (4) a food distributor; or (5) a wholesale food vendor.

II. "Tier two commercial edible food generators" means a commercial edible food generator that is one of the following: (1) a restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet; (2) a hotel with an on-site food facility and 200 or more rooms; (3) a health facility with an on-site food facility and 100 or more beds; (4) a large venue; or (5) a large event.

JJ. "Two-container" means collection services provided pursuant to Section 14.06.03.030;

KK. "Uncontainerized green waste and yard waste collection service" and "uncontainerized service" each means a collection service that collects green waste and yard waste that is placed in a pile or bagged for collection on the street in front of a generator's house or place of business for collection and transport to a facility that recovers soured separated organic waste.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18982*

## **Part 2**

### **Landfill Disposal**

#### **14.06.02.010 – Landfill Disposal and Recovery**

A. The following dispositions of organic waste shall be deemed to constitute landfill disposal:

1. Final disposition at a landfill.
2. Use at a landfill as Alternative Daily Cover (as identified in 27 CCR Section 20690) or Alternative Intermediate Cover (as identified in 27 CCR Section 20700).

3. Any other disposition not listed in subsection B below.

B. Organic waste sent to one of the following facilities or operations, or used for one of the following activities, and not subsequently sent for landfill disposal, shall be deemed to constitute a reduction of landfill disposal:

1. An operation that qualifies as a "Recycling Center" as set forth in 14 CCR Section 17402.5(d) or is listed in 14 CCR Section 17402.5(c).

2. A "Compostable Material Handling Operation of Facility", as defined in 14 CCR Section 17852(a)(12), or small composting activities that would otherwise be excluded from that definition pursuant to 14 CDR Section 17855(a)(4), or community composting.

3. An "In-vessel Digestion Operation or Facility" as listed in 14 CCR Section 17896.5, or activities that would otherwise not be subject to the in-vessel digestion requirements pursuant to 14 CCR Section 17896.6.

4. A Biomass Conversion operation or facility as defined in Public Resources Code Section 40106.

5. Used as a soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a landfill, when the material is used in a manner that complies with the following criteria:

(a) The material has been processed at a solid waste facility, as defined in Public Resources Code Section 40194; and

(b) The use shall be:

(i) Restricted to those organic wastes appropriate for the specific use and in accordance with engineering, industry guidelines or other standard practices specified in the Report of Disposal Site Information, as required by 27 CCR Section 21600(b)(6).

(ii) Restricted to quantities of solid wastes no more than necessary to meet the minimum requirements of the preceding paragraph.

(iii) Stored and handled in a manner to protect public health and safety and the environment, and control vectors, fires, odors, and nuisances.

(c) The material applied is never more than 13 inches in depth.

6. Land application, of compostable material consistent with 14 CCR Section 17852(a)(24.5), is subject to the following conditions on particular types of compostable material used for land application:



(a) Green waste or green material used for land application shall meet the definition of 14 CCR Section 17852(a)(21) and shall have been processed at a solid waste facility, as defined by Public Resources Code Section 40194.

(b) Biosolids used for land application shall:

(i) Have undergone anaerobic digestion or composting, as defined in Part 503, Title 40 of the Code of Federal Regulations, Appendix B, Sections (A)(1) and (A)(4), as amended August 4, 1999, which is hereby incorporated by reference; and

(ii) Meet the requirements in 14 CCR Section 17852(a)(24.5)(B)(6) for beneficial reuse of biosolids.

(c) Digestate used for land application shall:

(i) Have been anaerobically digested at an in-vessel digestion operation or facility, as described in 14 CCR Sections 17896.8 through 17896.13; and

(ii) Meet the land 14 CCR Section 17853(A)(24.5)A; and

(iii) Have obtained applicable approvals from the State and/or Regional Water Quality Control Board requirements.

7. Lawful use as animal feed, as set forth in Chapter 6 of the Food and Agricultural Code, commencing with Section 12901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with Article 1, Section 2675 of the CCR.

8. Other operations or facilities with processes that reduce short-lived climate pollutants as determined in accordance with Section 14.06.02.020.

C. For the purposes of this Section, the term "landfill" includes permitted landfills, landfills that require a permit, export out of California for disposal, or any other disposal of waste as defined by Public Resources Code Section 40192(c).

D. For the purpose of this Section, edible food that would otherwise be disposed that is recovered for human consumption shall constitute a reduction of landfill disposal.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18983.1*

#### **14.06.02.020 – Determination of Technologies that Constitute a Reduction in Landfill Disposal**

For operations, facilities, or activities not expressly defined in Section 14.06.02.010 as reducing landfill disposal, the determination as to whether any particular processes or technologies

constitutes a reduction shall be made by CalRecycle following application for determination by the user of that process or technology pursuant to 14 CCR Section 18983.2.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18983.2*

### **Part 3**

### **Organic Waste Collection Services**

#### **14.06.03.010 – Types of Organic Waste Collection Services.**

The City, either directly or through waste-hauling companies holding franchises from the City, shall provide organic waste collection services to residents, businesses and other persons or entities generating organic waste in the City. Such service may be provided by any combination of the methods identified in Sections 14.06.03.020, 14.06.03.030 and 14.06.03.040, in the City's discretion.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18984*

#### **14.06.03.020 – Three-Container Organic Waste Collection Services.**

A. The City may implement a three-container organic waste collection service and provide each waste generator with a green container, a blue container and a gray container in accordance with 14 CCR § 18984.1.

1. The green container shall be used for the collection of organic waste only; provided, however, that compostable plastics may be placed in the green container as authorized by 14 CCR § 18984.1(a)(1)(A). Carpets, non-compostable paper, and hazardous wood waste shall not be collected in the green container. The contents of the green container shall be transported to a facility that recovers source-separated organic waste.

2. The blue container shall be used for the collection of non-organic recyclables only, but may include the following types of organic wastes: paper products, printing and writing paper; wood and dry lumber; and textiles. Hazardous wood waste shall not be collected in the blue container. The contents of the blue container shall be transported to a facility that recovers the materials designated for the blue container.

3. The gray container shall be for the collection of non-organic waste only. Hazardous wood waste shall not be collected in the gray container.

B. At the City's discretion, it may comply with this Section by providing a container or containers that are split or divided into segregated Sections, as long as the lids of the separate sections comply with the above referenced container color requirements and material limitations.

C. At the City's discretion, it may require additional segregation of source separated organic waste and provide additional containers or additional sections of split containers for that purpose as authorized by 14 CCR § 18984.1(a)(6).

D. At the City's discretion, the City may allow organic waste to be collected in the gray container in compliance with 14 CCR § 18984.1(c).

E. At the City's discretion, it may allow organic waste to be collected in plastic bags and placed in the green container in compliance with 14 CCR § 18984.1(d).

F. At the City's discretion, it may provide uncontainerized green waste and yard waste collection services in compliance with 14 CCR § 18984.1(e).

G. The City shall have the right to transport contents of containers to a consolidation site that complies with the requirements of 14 CCR § 17409.5.10.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18984.1*

#### **14.06.03.030 – Two-Container Organic Waste Collection Services.**

A. The City may implement a two-container organic waste collection service in accordance with 14 CCR § 18984.2. That service may involve providing each waste generator with either a green container and a gray container, or a blue container and a gray container.

B. If the City elects to provide a green container and a gray container, then:

1. Except as noted in paragraph B.2 below, the green container shall be limited to the collection of organic waste only, and the contents thereof shall be transported to a facility that specifically recovers source-separated organic waste.

2. Notwithstanding paragraph B.1 above, compostable plastics may be placed in the green container as authorized by 14 CCR § 18984.1(a)(1)(C), if the contents thereof are transported to compostable material handling operations or facilities or in-vessel digestion operations or facilities that have provided written notification annually to the City that the facility can process and recover that material.

3. The gray container allows for intentional comingling of all collected wastes, including organic waste that is not designated for collection in the green container, provided that the contents of the gray container are transported to a facility that meets or exceeds the organic waste content recovery requirements specified in 14 CCR § 18984.3.

C. If the City elects to provide a blue container and a green container, then:

1. The blue container is limited to the collection of non-organic recyclables only, but may include the following types of organic wastes: paper products; printing and writing paper; wood and dry lumber; and textiles. The contents of the blue container shall be transported to a facility that recovers the materials designated for collection in the blue container.

2. The gray container allows for intentional comingling of all collected wastes, including organic waste that is not designated for collection in the blue container, provided that the contents of the gray container are transported to a facility that meets or exceeds the organic waste content recovery requirements specified in 14 CCR § 18984.3.

D. The City shall clearly identify the types of wastes accepted in each container, and shall clearly identify which container shall be used for the collection of any unidentified materials.

E. At the City's discretion, it may comply with this Section by providing a container or containers that are split or divided into segregated sections, as long as the lids of the separate sections comply with the above referenced container color requirements and material limitations.

F. At the City's discretion, it may allow organic waste to be collected in plastic bags and placed in the green container in compliance with 14 CCR § 18984.2(e).

G. At the City's discretion, it may provide uncontainerized green waste and yard waste collection services in compliance with 14 CCR § 18984.2(f).

H. The City shall have the right to transport contents of containers to a consolidation site that complies with the requirements of 14 CCR § 17409.5.10.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18984.2*

#### **14.06.03.040 – Unsegregated Single-Container Collection Services**

A. The City may implement a single-container organic waste collection service and provide each waste generator with a single gray container, that allows for intentional comingling of all collected wastes, including organic wastes, provided that the contents of the gray container are transported to a high diversion organic waste processing facility

B. A facility shall not qualify as a high diversion organic waste processing facility if its annual average mixed waste organic content recovery rate is lower than that required by the definition of "high diversion organic waste processing facility" set forth in Section 14.06.01.020.U above for two consecutive quarterly reporting periods, or for three quarterly reporting periods within three years.

C. Notwithstanding subsection A above, the City shall have the right to transport contents of containers to a consolidation site that complies with the requirements of 14 CCR § 17409.5.10.

D. The City may allow organic waste specified for collection in the gray container to be placed in bags for collection.

E. At the City's discretion, it may provide uncontainerized green waste and yard waste collection services to generators within the City, as long as generators receiving that service are also provided with a collection service for the collection of other organic waste in a manner that complies with this Section.

**14.06.03.050 – Recordkeeping**

A. The City shall include in the Implementation Record a description of which collection method(s) it will use to comply with this Part 3, and the geographical area for each such collection method.

B. If the City uses a service that requires the contents of containers to be transported to a high diversion organic waste processing facility, the City shall also include in the Implementation Record (1) a list of all high diversion organic waste processing facilities used by the City, (2) a list of all haulers approved by the City that are allowed to take organic waste to the City's identified high diversion organic waste processing facility or facilities, and (3) the geographical area each such hauler serves, the routes serviced, or a list of addresses served.

C. If the City allows compostable plastics to be placed in the green container pursuant to Sections 14.06.03.020 or 14.06.03.030 above, the City shall include in the Implementation Record a copy of written notification received from each facility serving the City indicating that the facility recovers that material.

D. If the City allows organic waste to be collected in plastic bags pursuant to Sections 14.06.03.020 or 14.06.03.030 above, the City shall include in the Implementation Record a copy of written notification received from each facility serving the City indicating that the facility can process and remove plastic bags when it recovers source separated organic waste.

**14.06.03.060 – Container Contamination Minimization (Misuse of Containers, and City Monitoring of Same)**

A. Generators are prohibited from placing into any container provided pursuant to Sections 16.06.03.020 (three-container systems) or 16.06.03.030 (two-container systems) any item which is not allowed to be placed in that container by those Sections. The City shall monitor compliance with this paragraph A by either or both of the methods identified in subsections B and C below.

B. The City may conduct a route review for prohibited container contaminants on containers in a manner that results in all hauler routes being reviewed annually. Containers may be randomly selected along a hauler route, but not every container on a hauler route need be sampled annually. Upon finding prohibited container contaminants in a container, the City shall notify the generator of the violation. The notice shall include information regarding the generator's requirement to properly separate materials into the appropriate containers, and may include photographic evidence of the violation. The notice may be left on the generator's container, gate, or door at the time the violation occurs, and/or may be mailed, e-mailed, or electronically messaged to the generator. The City may dispose of the contents of a container which contains prohibited container contaminants. The City may, in its discretion, impose administrative civil penalties on generators in violation of paragraph A above.

C. Where the City implements a three-container or two-container service, the City may conduct waste evaluations which shall be done at least twice per year in two distinct seasons of the year. Where the City implements a performance-based source separated collection service, the City may conduct waste evaluations which shall be done at least twice per year for the blue and green containers and once per quarter for the gray container.

1. Regardless of the method implemented each waste evaluation shall include samples of each container type served by the City shall include samples taken from different areas in the City that are representative of the City's waste stream.

2. The waste evaluations shall include at least the following minimum number of samples from the hauler routes included in the studies: at least 25 samples for routes with less than 1,500 generators; at least 30 samples for routes with 1,500-3,999 generators; at least 35 samples for routes with 4,000-6,999 generators; and at least 40 samples for routes with 7,000 or more generators.

3. All material collected for sampling will be transported to a sorting area at a permitted solid waste facility where the presence of prohibited container contaminants for each container type is measured to determine the ratio of prohibited container contaminants present in each container type by weight. To determine the ratio of prohibited container contaminants, the city shall use the following protocol: (a) take one sample of at least 200 pounds from the material collected from each container stream (that is, the blue, green and gray containers) for sampling; (b) the 200 pound sample shall be randomly selected from different areas of the pile of collected material for that container type; (c); for each 200 pound sample, the prohibited container contaminants will be removed and weighed; and (d) the ratio of prohibited container contaminants in the sample shall be determined by dividing the total weight of prohibited container contaminants by the total weight of the sample.

4. If the sampled weight of prohibited container contaminants exceeds twenty-five percent (25%) of the measured sample for any container type, the City shall either (a) notify all generators on the sampled hauler routes of their requirement to properly separate materials into the appropriate containers; or (b) perform a targeted route review of containers on the routes sampled for waste evaluations to determine the sources of contamination and notify those generators of their obligation to properly separate materials.

5. The notices delivered pursuant to the preceding subsection C.4 may be placed on the generator's container, gate or door, or delivered by mail, e-mail, or electronic message.

D. If the City implements a performance-based source separated collection service, it shall notify CalRecycle within 30 days of finding prohibited container contaminants in the gray container collection stream that exceed twenty-five percent (25%) of the measured sample by weight in each of two consecutive waste evaluations performed on gray containers.

E. If the City implements a performance-based source separated collection service, it shall, upon request, allow a representative of CalRecycle to oversee the City's next scheduled quarterly sampling of the gray container.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18984.5*

#### **14.06.03.070 – Recordkeeping Requirements for Container Contamination Minimization**

The City shall include in the Implementation Record the following information and documents to demonstrate its compliance with Section 14.06.03.060: (1) a description of the City's process for determining the level of container contamination; (2) documentation of route reviews conducted, if applicable; (3) if applicable, documentation of waste evaluations performed, including information on targeted route reviews conducted as a result of the studies; that documentation shall at a minimum include the dates of the studies, the location of the solid waste facility where the study was performed, routes source sector (e.g. commercial or residential), number of samples, weights, and ration of prohibited container contaminants and the total sample size; (4) copies of all notices issued to generators with prohibited container contaminants; and (5) documentation of the number of containers where the contents were disposed due to observation of prohibited container contaminants.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18984.6*

#### **14.06.03.080 – Delayed Replacement of Functional Containers**

The City's requirement to provide color-coded containers pursuant to this Chapter 14.06 shall not require the City to immediately replace functional containers purchased prior to January 1, 2022, even if those do not comply with the color requirements of this Chapter 14.06. Those functional containers need not be replaced until the end of their useful life, or January 1, 2036, whichever comes first.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18984.7*

#### **14.06.03.090 – Container Labeling Requirements**

Commencing January 1, 2022, the City shall cause a label to be placed on each new container or lid provided to generators consistent with the applicable container collection requirements and limitations of this Chapter 14.06, specifying what materials are allowed to be placed in each container and clearly indicating the primary items that are prohibited container contaminants for each container. The City may comply with this Section by (1) placing labels on containers that include language or graphic images or both that indicate the primary materials accepted and the primary materials prohibited in that container, or (2) providing containers with imprinted text or graphic images that indicate the primary materials accepted and the primary materials prohibited in that container. The City may comply with this Section by using model labeling provided by CalRecycle.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18984.8*

**14.06.03.100 – Requirements for Residents, Businesses and Other Organic Waste Generators**

A. Organic waste generators shall comply with the provisions of this Chapter 14.06 and the City's requirements with respect thereto by either (1) subscribing to and complying with the organic waste collection service provided by the City, or (2) self-hauling organic waste as required by this Chapter 14.06. Commercial/industrial organic waste generators who choose to self-haul must also obtain a self-hauling permit issued by the City pursuant to Section 13.100.420 above.

B. Generators that are commercial businesses, except for multifamily residential dwellings, shall also:

1. provide containers for the collection of organic waste and non-organic recyclables in all areas where disposal containers are provided for customers, except for restrooms. Those containers shall have either (a) a body or lid that conforms to the container colors provided through the City's organic waste collection service, or (b) container labels that comply with the requirements of Section 14.06.03.080 above.

2. prohibit their employees from placing organic waste in a container not designated to receive organic waste pursuant to this Chapter 14.06.

C. Nothing in this Section prohibits a generator from preventing or reducing waste generation managing organic waste on site, or using a community composting site.

D. A commercial business is not required to replace functional containers, including containers purchased prior to January 1, 2022, that do not comply with the color requirements of this Chapter 14.06 prior to the end of the useful life of those containers, or prior to January 1, 2036, whichever comes first.

E. If a business does not generate any of the materials that would be collected in one type of container, then the business does not have to provide that particular container in areas where disposal containers are provided for customers.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18984.9*

**14.06.03.110 – Additional Responsibilities of Commercial Business Owners**

A. Commercial businesses shall provide or arrange for organic waste collection services consistent with this Chapter 14.06 and related city requirements, both as to the businesses themselves and their on-site employees, contractors, tenants, and customers. Without limiting the generality of the foregoing, this includes supplying and allowing access to an adequate number, size, and location of containers with sufficient labels or container color.

B. Commercial businesses shall annually provide information to employees, contractors, tenants, and customers about organic waste recovery requirements and about proper sorting of organic waste. Commercial landlords shall provide such information to each new tenant not later than 14 days after the tenant occupies the premises.



C. Commercial businesses shall provide or arrange for access to their properties during all inspections conducted pursuant to Part 14 of this Chapter 14.06.

D. Nothing in this Section authorizes a City representative to enter the interior of a private residential property.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18984.10*

#### **14.06.03.120 – Waivers Granted by City**

The City reserves the right (which cannot be delegated to a private entity) to grant one or more of the following types of waivers to generators of organic waste:

A. De minimus waivers: the City may waive a commercial business' obligation to comply with some or all of the organic waste requirements of this Chapter 14.06 if the business provides documentation (or if the City otherwise has evidence) demonstrating *either* that (1) the business' total solid waste collection service is two cubic yards or more per week and organic waste subject to collection in a blue container or a green container comprises less than twenty (20) gallons per week per applicable container of the business' total waste; *or* (2) the business' total solid waste collection service is less than two cubic yards per week and organic waste subject to collection in a blue container or green container comprises less than 10 gallons per week per applicable container of the business' total waste. The City shall from time to time verify that the business' organic waste generation meets those thresholds. If the City obtains information that a commercial business which has received a de minimus waiver is exceeding those organic waste thresholds, the City shall rescind the waiver.

B.. Physical space waivers. The City may waive a commercial business' or property owner's obligation to comply with some or all of the organic waste collection service requirements of this Chapter 14.06 if the business or owner provided documentation (or if the City otherwise has evidence from its staff, a hauler, a licensed architect, or a licensed engineer) demonstrating that the premises lack adequate space for any of the organic waste container configurations allowed under Sections 14.06.03.020 and 14.06.03.030.

C. Collection Frequency waivers: The City may allow the owner or tenant of any residence, premises, business establishment or industry that subscribes to a three-container or two-container organic waste collection service to arrange for the collection of solid waste in a blue container, a gray container, or both once every fourteen (14) days, provided that the City or its authorized hauler demonstrates to the local enforcement agency (as defined in Public Resources Code Section 40130) that less frequent collection is required and will not cause receiving solid waste facilities, operations, or both to be in violation of applicable state minimum standards, all pursuant to 14 CCR Section 18984.11(a)(3)(A)(1). Pursuant to Public Resources Code Section 40130, 43202 and 43203, the "local enforcement agency" shall generally be designated by the City Council and certified by CalRecycle; if no such agency is so designated or certified, CalRecycle will generally act as the local enforcement agency.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18984.11*

#### **14.06.03.130 – Waivers Available From CalRecycle**

The City reserves the right to seek, from CalRecycle, waivers of organic waste collection service requirements, pursuant to 14 CCR Section 18984.12 or otherwise, if and to the extent such waivers become available to the City and/or to generators within the City.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18984.12*

#### **14.06.03.140 – Other Exemptions from Compliance with this Chapter**

A. **Emergency Processing Facility Temporary Equipment or Operational Failure Waivers:** If the facility processing the City's organic waste notifies the City that unforeseen operational restrictions have been imposed upon the facility by a regulatory agency or that an unforeseen equipment or operational failure will temporarily prevent the facility from processing and recovering organic waste, the City may allow the organic waste stream transported to that facility to be deposited in a landfill or landfills for up to 90 days from the date of the restriction or failure. In that even, the City shall notify CalRecycle within 10 days of a waiver decision. Such notice shall include a description of the equipment failure or operational restriction that occurred at the facility, the period of time that the City will allow the organic waste stream to be deposited in a landfill or landfills, and the Recycling and Disposal Reporting System Number of the facility that experienced the temporary equipment or operational failure preventing it from receiving some or all of the City's waste.

B. **Disaster and Emergency Waivers:** The City may submit a request to CalRecycle for a waiver for the landfill disposal of disaster debris that cannot be diverted pursuant to 14 CCR Section 17210(e), if a waiver or waivers have been granted pursuant to 14 CCR Sections 17210.4 and 17210.9. If CalRecycle grants a waiver pursuant to this paragraph, the provisions of this Chapter shall not apply to such disaster debris for the period of the waiver.

C. **Sediment Exclusion:** The City may dispose of sediment debris removed from dams, culverts, reservoirs, channels and other flood control infrastructure if the material is subject to a waste discharge requirement issued by the regional water quality control board that requires the average organic content of the debris to be less than five percent (5%).

D. **Homeless Encampments and Illegal Disposal Sites:** The City is not required to separate or recover organic waste that is removed from homeless encampments and illegal disposal sites as part of an abatement activity to protect public health and safety. If the total amount of solid waste removed for landfill disposal pursuant to this paragraph is expected to exceed 100 tons annually, the City shall record the amount of material removed.

E. **Quarantined Materials:** the City may dispose of specific types of organic waste that are subject to quarantine and that meet the following requirements: (1) the organic waste is generated from within the boundaries of an established interior or exterior quarantine area defined by the California Department of Food and Agriculture for that type of organic waste; (2) the California Department of Food and Agriculture or the County Agricultural Commissioner determines that the organic waste must be disposed of at a solid waste landfill and the organic waste cannot be safely recovered through any of the recovery activities identified in Part 2 of this Chapter 14.06; and (3) the City retains a copy of the California Department of Food and

Agriculture approved compliance agreement from each shipment stating that the material must be transported to a solid waste landfill operating under the terms of its own compliance agreement for the pest or disease of concern.

F. Federal exemptions: this Chapter 14.06 shall not apply to organic waste that federal law explicitly requires to be managed in a manner that constitutes landfill disposal.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18984.13*

#### **14.06.03.150 – Recordkeeping Requirements for Waivers and Exemptions**

The City shall include the following information and documents in the Implementation Record:

- A. A copy of all correspondence received from a facility that triggered a Processing Facility Temporary Equipment or Operational Failure Waiver and documentation setting forth the date of issuance of the waiver, the timeframe for the waiver, and the locations or routes affected by the waiver.
- B. A description of the City's process for issuing waivers and frequency of inspections by the City to verify the validity of waivers.
- C. A copy of all de minimis waivers, including the location, date issued, and name of generators.
- D. A copy of all physical space waivers, including the location, date issued, and name of generators.
- E. A copy of all collection frequency waivers, including the location, date issued, and name of generators.
- F. A record of the amount of sediment debris that is disposed pursuant to Section 14.06.03.013(C) on an annual basis.
- G. A record of the amount of solid waste removed from homeless encampments and illegal disposal sites as part of an abatement activity if the total amount of material removed exceeds 100 tons.
- H. A copy of all compliance agreements for quarantined organic waste that is disposed, including the name of generator, date issued, location of final disposition, and the amount of organic waste that was required to be disposed at a solid waste landfill.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18984.14*

**Part 4**  
**Education and Outreach**

**14.06.04.010 – Organic Waste Recovery Education and Outreach**

A. Prior to February 1, 2022, and annually thereafter, the City shall provide the following information to organic waste generators that are provided an organic waste collection service pursuant to Part 3 of this Chapter 14.06:

1. Information on the organic waste generator's requirements to properly separate materials in appropriate containers pursuant to this Chapter 14.06.
2. Information on methods for the prevention of organic waste generation, recycling organic waste on-site, sending organic waste to community composting and any other local requirements regarding organic waste.
3. Information regarding the methane reduction benefits of reducing the landfill disposal of organic waste, and the methods of organic waste recovery the organic waste collection service uses.
4. Information regarding how to recover organic waste and a list of approved haulers.
5. Information related to the public health and safety and environmental impacts associated with the landfill disposal of organic waste.
6. Information regarding programs for the donation of edible food.
7. Information regarding self-hauling requirements.

B. If the City provides an unsegregated single container collection service to any organic waste generators, then the City shall not be required to provide the information in paragraph A above to those organic waste generators, but shall provide them with information indicating that organic waste is being processed at a high diversion organic waste processing facility.

C. The City may comply with the requirements of this Section by providing the required information through print or electronic media. The City may, in addition, conduct outreach through direct contact with generators through workshops, meetings, or on-site visits.

D. The City may comply with the requirements of this Section through use of a designee.

E. The City shall translate educational materials required by this Chapter 14.06 into any non-English language that the City determines is spoken by a substantial number of the public to whom the City provides organic waste collection services.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18985.1*

#### **14.06.04.020 – Edible Food Recovery Education and Outreach**

A. Prior to February 1, 2022, the City shall develop a list of food recovery organizations (which list need not include temporary food facilities) and food recovery services operating within the City, and shall maintain that list on the City’s website. The list shall include, at a minimum, the following information about each food recovery organization and each food recovery service: (1) name and physical address, (2) contact information, (3) collection service area, and (4) an indication of the types of food the food recovery service or organization can accept for food recovery.

B. At least annually, the City shall provide commercial edible food generators with information about (1) the City’s edible food recovery program established pursuant to Part 10 of this Chapter 14.06, (2) the commercial edible food generator requirements specified in said Part 10, (3) food recovery organizations and food recovery services operating within the City, and where a list of those organizations and services can be found, and (4) actions that commercial edible food generators can take to prevent the creation of food waste.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18985.2*

#### **14.06.04.030 – City’s Recordkeeping as to its Compliance with Education and Outreach Requirements.**

The City shall include in the Implementation Record all relevant documents supporting its compliance with this Part 4 of Chapter 14.06, including without limitation the following:

A. Copies of the information provided by the City to comply with this Part 4, including flyers, brochures, newsletters, invoice messaging, and website and social media postings.

B. The dates on which such information was disseminated, and recipients of that information. If the City provides mass distribution through mailings or bill inserts, the City shall provide the date, a copy of the information, and the type and number of accounts receiving the information.

C. If the requirements of this Part 4 were met solely through the use of electronic media, the record shall include a copy of social media posts, e-mails, or other electronic messages, and shall indicate the dates on which those things were posted or issued.

D. If the City relies on a designee to comply with this Section, the City shall include a copy of the materials distributed by the designee.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18985.3*

**Part 5**  
**Generators of Organic Waste**  
**To Whom This Chapter 14.06 Does Not Apply**

**14.06.05.010 – Non-Local Entities and Local Education Agencies.**

This Chapter 14.06 does not apply to Non-Local Entities and Local Education Agencies, as those terms are defined in 14 CCR Section 18982.

*Regulatory Reference: SB 1383 (2016) and 14 CCR §§ 18982, 18986.1, 18986.2 & 18986.3*

**Part 6**  
**Biosolids Generated at a Publicly Owned Treatment Works**

**14.06.06.010 – Exemption of Certain Biosolids Generators**

A. A POTW is exempt from (1) the generator requirements of Section 14.06.03.090 above, (2) the organic waste recovery and measurement requirements of 14 CCR Sections 17409.5.1 through 17409.5.8, and (3) the recordkeeping and reporting requirement described in 14 CCR Section 17414.2.

B. Material received at a POTW that the POTW is not allowed to accept pursuant to 14 CCR Section 17896.6(a)(1)(C) or (D) –generally consisting of inedible kitchen grease, certain food material and vegetative food material, and other “anaerobically digestible material” – shall be deemed to constitute landfill disposal pursuant to Part 2 of this Chapter 14.06.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18987.1*

**Part 7**  
**Regulation of Haulers**

**14.06.07.010 – City’s Approval of Haulers and Self-Haulers**

A. The City requires haulers providing residential, commercial, or industrial organic waste collection services to generators within the City to identify the facilities to which they will transport organic waste, and to otherwise meet the requirements and standards of this Chapter 14.06, as a condition of approval of a contract, agreement, franchise or other authorization to collect organic waste. The requirements of this paragraph are in addition to, and not instead of, the franchise requirements set forth in Chapter 13.100 of the South Gate Municipal Code.

B. This Section is not applicable to haulers transporting source-separated organic waste to a community composting site in accordance with Sections 41950 *et seq.* of the Public Resources Code, or to haulers lawfully transporting construction and demolition debris in compliance with Section 13.100.420 above and with Section 14.06.08.010 below.

C. To the extent the City is exempt from organic waste collection requirements pursuant to Section 14.06.03.120 above, neither the City nor haulers and self-haulers operating or located within the exempt areas of the City shall be required to comply with the provisions of this Part 7 for the duration of the exemption.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18988.1*

#### **14.06.07.020 – Requirements for Haulers of Organic Waste (Excluding Self-Haulers)**

A. A hauler providing residential, commercial, or industrial organic waste collection services shall comply with both of the following:

1. Organic waste collected by the hauler shall be transported to a facility, operation, activity or property that recovers organic waste as defined in Section 14.06.01.020.

2. The hauler shall obtain City approval pursuant to Section 14.06.07.010.

B. The hauler shall keep a record of the documentation of its approval by the City.

C. Notwithstanding subsection A above, this Section is not applicable to:

1. A hauler that, transports source-separated organic waste to a community composting site in accordance with Public Resources Code Sections 41950 *et seq.*; or

2. A hauler that is lawfully transporting construction and demolition debris in compliance with 14.06.08.010 below.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18988.2*

#### **14.06.07.030 – Requirements for Self-Haulers of Organic Waste**

A. Generators of organic waste may, in compliance with Section 14.06.07.010, self-haul their own organic waste.

B. A generator who is a self-hauler of organic waste shall comply with the following:

1. The generator shall source-separate all organic waste generated on site in a manner consistent with Sections 14.06.03.020 and 14.06.03.030 above, or haul organic waste to a high diversion organic waste processing facility as specified in Section 14.06.03.040 above.

2. The generator shall haul source separated organic waste to a solid waste facility operation, activity, or property that processes or recovers source separated organic waste.

3. The generator shall keep a record of the amount of organic waste delivered to each solid waste facility, operation, activity, or property that processes or recovers organic waste. That record shall be subject to inspection by the City.

(a) The record shall include delivery receipts and weight tickets from the entity accepting the waste.

(b) The record shall indicate the amount of material in cubic yards or tons transported by the generator to each entity.

(c) Notwithstanding subsection 3(a) above, if the material is transported to an entity that does not have scales on-site, or employs scales incapable of weighing the self-hauler's vehicle in a manner that allows it to determine the weight of waste received, the self-hauler is not required to record the weight of material but shall keep a record of the entities that received the organic waste.

4. A residential organic waste generator that self-hauls organic waste is not required to record or report the information identified in subsection 3(c) above.

C. If the City (or the portion of the City in which the generator is located) has received a waiver pursuant to Section 14.06.03.120 above, and if the generator is not a business subject to the requirements of Section 42649 of the Public Resources Code, then the generator is not required to comply with the requirements of this Section.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18988.3*

#### **14.06.07.040 – City's Recordkeeping Requirements Regarding Regulation of Haulers**

A. The City shall include in the Implementation Record all relevant documents supporting its compliance with this Part 7, including without limitation copies of:

1. Ordinances, contracts, franchise agreements, policies, procedures, or programs relevant to this Section.

2. A description of the City's hauler program, including: (a) types(s) of hauler system(s) the City uses; (b) type(s) and condition(s) of approvals per type of hauler, and criteria for approvals, denials and revocations; (c) the process for issuing, revoking, and denying written approvals; and (d) any requirements associated with self-hauling and back-hauling.

3. A record of hauler compliance with this Part 7 and other applicable City ordinances, including the following information: (a) copies of all reports required from haulers; and (b) copies of all written approvals, denials, and revocations.

B. All records required by this Part 7 shall include the date of action, the name of the hauler, and the type of the action taken by the City.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18988.4*



**Part 8**  
**CalGreen Building Standards and**  
**Model Water Efficient Landscape Ordinance**

**14.06.08.010 – CalGreen Building Codes.**

The CalRecycle regulations pursuant to which this Chapter 14.06 has been adopted mandate, among other things, that the City adopt an ordinance that requires compliance with certain provisions of the California Green Building Standards Code. The City has long had such an ordinance, codified at Chapter 9.20 of the South Gate Municipal Code. Reference is made to that Chapter 9.20 with respect to obligations of generators, haulers, the City and others as to the California Green Building Standards Code.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18989.1*

**14.06.08.020 – Model Water Efficient Landscape Ordinance.**

The CalRecycle regulations pursuant to which this Chapter 14.06 has been adopted mandate, among other things, that the City adopt an ordinance that requires compliance with certain provisions of the Model Water Efficient Landscape Ordinance. The City has long had such an ordinance, codified at Chapter 6.64 of the South Gate Municipal Code. Reference is made to that Chapter 6.64 with respect to obligations of generators, haulers, the City and others as to the Model Water Efficient Landscape Ordinance.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18989.2*

**Part 9**  
**Limitations on City's Standards and Policies**

**14.06.09.010 – Organic Waste Recovery Standards and Policies**

A. The City may adopt standards that are more stringent than those contained in this Chapter 14.06, except as limited by subsection B of this Section.

B. The City shall not implement or enforce an ordinance, policy procedure, permit, condition, or initiative that includes provisions which do any of the following:

1. Prohibit, or otherwise unreasonably limit or restrict, the lawful processing and recovery of organic waste through a method identified in Part 2 of this Chapter 14.06.
2. Limit a particular solid waste facility operation, property, or activity from accepting organic waste imported from outside the City for processing or recovery.
3. Limit the export of organic waste to a facility, operation, property or activity outside of the City that recovers the organic waste through a method identified in Part 2 of this Chapter 14.06.

4. Require a generator or a hauler to transport organic waste to a solid waste facility or operation that does not process or recover organic waste.

5. Require a generator to use an organic waste collection service or combination of services that do not recover at least the same types of organic waste recovered by a service the generator previously had in place.

C. This Section does not do any of the following:

1. Require a solid waste facility or operation to accept organic waste that does not meet the quality standards established by the solid waste facility or operation.

2. Prohibit the City from arranging with a solid waste facility or operation to guarantee permitted capacity for organic waste from the City.

3. Supersede or otherwise affect the City's land use authority, including without limitation planning, zoning, and permitting, or an ordinance lawfully adopted pursuant to that land use authority consistent with this Section.

4. Prohibit the City from arranging, through a contract or franchise, for a hauler to transport organic waste to a particular solid waste facility or operation for processing or recovery.

5. Exempt the City or any generator or hauler from compliance with (a) Division 4.5 of Title 22 of the California Code of Regulations relative to the proper handling of hazardous or universal waste, or (b) Title 3, Section 1180.48 of the California Code of Regulations relative to Disposal of Parts and Products of Animals Not Intended for Use as Human Food.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18990.1*

#### **14.06.09.020 – Edible Food Recovery Standards and Policies**

A. The City shall not implement or enforce an ordinance, policy, or procedure that prohibits the ability of a generator, food recovery organization, or food recovery service to recover edible food that could be recovered for human consumption.

B. Nothing in this Chapter 14.06 shall be construed to limit or conflict with the provisions of the California Good Samaritan Food Donation Act of 2017. Specifically:

1. Nothing in this Chapter 14.07 shall be construed to limit the amount or types of foods that may be donated under that Act.

2. Nothing in this Chapter 14.06 shall be construed to limit the ability of a person, gleaner or food facility to donate food as provided for in Sections 114432 and 114433 of the Health and Safety Code.

3. Nothing in this Chapter 13.06 shall be construed to reduce the immunities provided by that Act as specified in Section 114434 of the Health and Safety Code.

C. Nothing in this Chapter 14.06 prohibits a food recovery service or organization from refusing to accept edible food from a commercial edible food generator.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18990.2*

## **Part 10**

### **Edible Food Recovery Programs, Food Generators, and Food Recovery**

#### **14.06.10.010 – South Gate Edible Food Recovery Program**

A. The City shall implement an edible food recovery program that shall include the actions that the City will take to accomplish each of the following:

1. Educate commercial edible food generators as set forth in Section 14.06.04.020.
2. Increase commercial edible food generator access to food recovery organizations and food recovery services.
3. Monitor commercial edible food generator compliance as required in Part 14 of this Chapter 14.06.
4. Increase edible food recovery capacity if the analysis required by Section 14.06.11.020 indicates that the City does not have sufficient capacity to meet its edible food recovery needs.

B. The City may fund the actions taken to comply with this Section through franchise fees, local assessments, or other funding mechanisms.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18991.1*

#### **14.06.10.020 – Recordkeeping Requirements for South Gate Edible Food Recovery Program**

The City shall include in the Implementation Record all documents supporting the City's compliance with Section 14.06.10.010, together with the following information:

- A. A list of commercial edible food generators in the City that have a contract or written agreement with food recovery organizations or services pursuant to subsection B of Section 14.06.10.030.
- B. A list of food recovery organizations and food recovery services in the City and their edible food recovery capacity.

C. Documentation of the actions the City has taken to increase edible food recovery capacity.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18991.2*

#### **14.06.10.030 – Commercial Edible Food Generators**

A. Tier one commercial edible food generators shall comply with the requirements of this Section commencing January 1, 2022. Tier two commercial edible food generators shall comply with the requirements of this Section commencing January 1, 2024.

B. Commercial edible food generators shall arrange to recover the maximum amount of edible food that would otherwise be disposed. A commercial edible food generator shall comply with the requirements of this Section through a contract or written agreement with any or all of the following:

1. Food recovery organizations or services that will collect their edible food for food recovery.
2. Food recovery organizations that will accept the edible food that the commercial edible food generator self-hauls to the food recovery organization for food recovery.

C. A large venue or large event operator that does not provide food services, but allows for food to be provided, shall require food facilities operating at the large venue or large event to comply with the requirements of this Section.

D. A commercial edible food generator shall comply with the requirements of this Section unless the commercial edible food generator demonstrates the existence of extraordinary circumstances beyond its control that make such compliance impracticable. If an enforcement action is commenced against a commercial edible food generator for noncompliance, the burden of proof shall be upon the commercial edible food generator to demonstrate extraordinary circumstances. For the purposes of this Section, extraordinary circumstances are (1) the City's failure to increase edible food recovery capacity as required by Section 14.06.10.010 above, and (2) acts of God such as earthquakes, wildfires, flooding, and other emergencies or natural disasters.

E. An edible food generator shall not intentionally spoil edible food that is capable of being recovered by a food recovery organization or service.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18991.3*

#### **14.06.10.040 – Recordkeeping Requirements for Commercial Edible Food Generators**

A commercial edible food generator subject to the requirements of this Part 10 shall keep a record that includes the following:

A. A list of each food recovery service or organization that collects or receives its edible food pursuant to a contract or written agreement established under subsection B of Section 14.06.10.030.

B. A copy of contracts or written agreements between the commercial edible food generator and a food recovery service or organization.

C. A record of the following for each food recovery organization or service that the commercial edible food generator has a contract or written agreement with pursuant to subsection B of Section 14.06.10.030:

1. The name, address, and contact information of the service or organization.
2. The types of food that will be collected by or self-hauled to the service or organization.
3. The established frequency that the food will be collected or self-hauled.
4. The quantity of food collected or self-hauled to a service or organization for food recovery. The quantity shall be measured in pounds recovered per month.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18991.4*

#### **14.06.10.050 – Food Recovery Services and Organizations**

A. A food recovery *service* that has established a contract or written agreement to collect or receive edible food directly from commercial edible food generators pursuant to subsection B of Section 14.06.10.030 shall maintain the following records:

1. The name, address, and contact information for each commercial edible food generator that the service collects edible food from.
2. The quantity, in pounds, of edible food collected from each commercial edible food generator per month.
3. The quantity, in pounds, of edible food transported to each food recovery organization per month.
4. The name, address, and contact information for each food recovery organization that the service transports edible food to for food recovery.

B. A food recovery *organization* that has established a contract or written agreement to collect or receive edible food directly from commercial edible food generators pursuant to subsection B of Section 14.06.10.030 shall maintain the following records:

1. The name, address, and contact information for each commercial edible food generator that the organization receives edible food from.
2. The quantity, in pounds of the edible food received from each commercial edible food generator per month.
3. The name, address, and contact information for each food recovery service that the organization receives edible food from for food recovery.

**Part 11**  
**Organic Waste Recycling Capacity Planning**

**14.06.11.010 – Organic Waste Recycling Capacity Planning.**

A. The City shall coordinate with the County of Los Angeles as reasonably necessary to allow the County to comply with its organic waste recycling capacity planning obligations pursuant to 14 CCR Section 18992.1.

B. The City shall respond within 120 days to any request from the County for information pertaining to the City that is necessary for the County to comply with those organic waste recycling capacity planning obligations.

C. Entities contacted by the City in connection with any such County request shall respond to the City within 60 days regarding available and potential new or expanded capacity at their facilities, operations, and activities, including information about throughput and permitted capacity necessary for planning purposes.

D. If the County of Los Angeles determines in connection with its organic waste recycling capacity planning obligations pursuant to 14 CCR Section 18992.1 that the City lacks sufficient capacity and directs the City to submit an implementation study to CalRecycle pursuant to said Section 18992.1, the City shall prepare such an implementation study and submit it to CalRecycle. The implementation schedule shall demonstrate to CalRecycle how the City will ensure that there is enough available capacity to recover the organic waste currently disposed by generators within the City by the end of the applicable report period identified in Section 14.06.11.030 below. The implementation schedule shall include timelines and milestones for planning efforts to access capacity, including without limitation (1) obtaining funding for organic waste recycling infrastructure, including but not limited to modifying franchise agreements or demonstrating other means of financially supporting the expansion of organic waste recycling, and (2) identification of facilities, operations, and activities that could be used for additional capacity. If required by the County's notice, the City shall also identify proposed new or expanded organic waste recycling facilities that will be used to process organic waste.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18992.1*

**14.06.11.020 – Edible Food Recovery Capacity**

A. The City shall coordinate with the County of Los Angeles as reasonably necessary to allow the County to comply with its edible food recovery capacity planning obligations pursuant to 14 CCR Section 18992.2.

B. The City shall respond within 120 days to any request from the County for information pertaining to the City that is necessary for the County to comply with those edible food recovery capacity planning obligations.

C. Entities contacted by the City in connection with any such coordination shall respond to the City within 60 days regarding available and potential new or expanded capacity.

D. If the County of Los Angeles determines in connection with its edible food recovery capacity planning obligations pursuant to 14 CCR Section 18992.2 that the City lacks sufficient capacity and directs the City to submit an implementation study to CalRecycle pursuant to said Section 18992.1, the City shall prepare such an implementation study and submit it to CalRecycle. The implementation schedule shall demonstrate to CalRecycle how the City will ensure that there is enough new or expanded capacity to recover the edible food currently disposed by commercial edible food generators within the City by the end of the applicable report period identified in Section 11.06.11.030 below. The implementation schedule shall include timelines and milestones for planning efforts to access additional new or expanded capacity, including without limitation (1) obtaining funding for edible food recovery infrastructure, including but not limited to modifying franchise agreements or demonstrating other means of financially supporting the expansion of edible food recovery capacity, and (2) identification of facilities, operations, and activities inside the County that could be used for additional capacity. If required by the County's notice, the City shall also consult with food recovery organizations and food recovery services regarding exiting, or proposed new and expanded, capacity that could be accessed by the City and its commercial edible food generators.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18992.2*

#### **14.06.11.030 – Schedule for Reporting**

A. CalRecycle requires Los Angeles County to submit to it reports pertaining to organic waste recycling capacity planning and edible food recovery capacity planning by the following dates for the following periods:

1. County reports are due August 1, 2022 for the period covering January 1, 2022 through December 31, 2024.
2. County reports are due August 1, 2024 for the period covering January 1, 2025 through December 31, 2034.
3. County reports are due August 1, 2029 for the period covering January 1, 2030 through December 31, 2039.
4. County reports are due August 1, 2034 for the period covering January 1, 2035 through December 31, 2044.

B. Implementation studies which the City is required to submit to CalRecycle pursuant to Sections 14.06.11.010 and 14.06.11.020 must be submitted to CalRecycle not later than 120 days following the County's submission to CalRecycle of the County's reports for the corresponding period.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18992.3*

**Part 12**  
**Procurement of Recovered Organic Waste Products**

**14.06.12.010 – Recovered Organic Waste Product Procurement Target**

A. Commencing January 1, 2022, the City shall annually procure a quantity of recovered organic waste products that meets or exceeds the City’s current annual recovered organic waste product procurement target as determined by CalRecycle pursuant to 14 CCR Section 18993.1. Generally, that procurement target shall equal 0.08 tons of organic waste per resident of the City, but the exact target will be calculated by CalRecycle.

B. The City shall comply with subsection A above by doing one or both of the following:

1. Directly procuring recovered organic waste products for use or giveaway.
2. Requiring, through a written contract or agreement, that a direct service provider to the City procure recovered organic waste products and provide written documentation of such procurement to the City.

C. The recovered organic waste products that the City may procure to comply with this Part 12 are:

1. Compost, subject to any applicable limitations of Public Contract Code Section 22150, that is produced at either (a) a compostable material handling operation or facility permitted or authorized under Chapter 3.1 of Division 7 of Title 14 of the CCR, or (b) a large volume in-vessel digestion facility as defined and permitted under Chapter 3.1 of Division 7 of Title 14 of the CCR that composts on-site. For purposes of the foregoing clause (b), Digestate is a distinct material from compost and is thus not a recovered organic waste product eligible for use in complying with this Part 12.
2. Renewable gas used for fuel for transportation, electricity, or heating applications.
3. Electricity from biomass conversion, as that term is defined in Public Resources Code Section 40106.
4. Mulch, provided that the following conditions are met for the duration of the applicable compliance year:
  - (a) The mulch procured by the City to comply with this Part 12 must meet or exceed the physical contamination, maximum metal concentration, and pathogen density standards for land application specified in 14 CCR Sections 17852(a)(24.5)(A)1 through 3.



- (b) The mulch is produced at one or more of the following:
  - (i) a compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(10) that is permitted or authorized under Division 7 of Title 14 of the CCR.
  - (ii) a transfer/processing facility or transfer/processing operation as defined in Sections 17402(a)(30) and (31), respectively, that is permitted or authorized under Division 7 of Title 14 of the CCR.
  - (iii) a solid waste landfill as defined in Public Resources Code Section 40195.1 that is permitted under Division 2 of Title 27 of the CCR.

D. The following conversion factors shall be used to convert tonnage in the City's annual recovered organic waste product procurement target to equivalent amounts of recovered organic waste products. One ton of organic waste in a recovered organic waste product procurement target shall constitute:

1. 21 diesel gallon equivalents, or "DGE", of renewable gas in the form of transportation fuel.
2. 242 kilowatt-hours of electricity derived from renewable gas.
3. 22 therms for heating derived from renewable gas.
4. 650 kilowatt-hours of electricity derived from biomass conversion.
5. 0.58 tons of compost or 1.45 cubic yards of compost.
6. One ton of mulch.

E. Renewable gas procured from a POTW may only count toward the City's recovered organic waste product procurement target if the following conditions are met for the applicable procurement compliance year:

1. The POTW receives organic waste directly from one or more of the following: (a) a compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10), that is permitted or authorized under Division 7 of Title 14 of the CCR; (b) a transfer/processing facility or transfer/processing operation as defined in 14 CCR Sections 17402(a)(30) and (31), respectively, that is permitted or authorized under Division 7 of Title 14 of the CCR; or (c) a solid waste landfill as defined in Public Resources Code Section 40195.1 that is permitted under Division 2 of Title 27 of the CCR.
2. The POTW is in compliance with the exclusion described in 14 CCR Section 17896.1.

3. The City receives a record from the POTW documenting the tons of organic waste received by the POTW from all solid waste facilities described in subsection E.1 above.

4. The amount of renewable gas the City procured from the POTW for fuel, electricity, or heating applications is less than or equal to the POTW's production capacity of renewable gas generated from organic waste received at the POTW directly from solid waste facilities as determined using the relevant conversion factors in subsection D above.

5. The POTW transported less than 25 percent of the biosolids it produced to activities that constitute landfill disposal.

F. Electricity procured from a biomass conversion facility may only count toward the City's recovered organic waste product procurement target if the biomass conversion facility receives feedstock directly from one or more of the following during the duration of the applicable procurement compliance year:

1. A compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), other than a chipping and grinding operation or facility as defined in 14 CCR Section 17582(a)(10), that is permitted or authorized under Division 7 of Title 12 of the CCR; or

2. A transfer/processing facility or transfer/processing operation as defined in 14 CCR Sections 17402(a)(30) and (31), respectively, that is permitted or authorized under Division 7 of Title 14 of the CCR; or

3. A solid waste landfill as defined in Public Resources Code Section 40105.1 that is permitted under Division 2 of Title 27 of the CCR.

G. If the City's annual recovered organic waste product procurement target exceeds the City's total procurement of transportation fuel, electricity, and gas for heating applications from the previous calendar year as determined by the conversion factors in subsection D above, the target shall be adjusted to an amount equal to the City's total procurement of those products as converted to their recovered organic waste product equivalent from the previous year consistent with subsection D above.

H. The City shall identify additional procurement opportunities within the City's departments and divisions for expanding the use of recovered organic waste products.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18993.1*

#### **14.06.12.020 – Recordkeeping Requirements for Recovered Organic Waste Product Procurement Target**

The City shall include in the Implementation Record all documents supporting the City's compliance with this Part 12, including without limitation the following:

- A. A description of how the City will comply with the requirements of this Part 12.
- B. The name, physical location, and contact information of each entity, operation, or facility from whom the recovered organic waste products were procured, and a general description of how the product was used, and if applicable, where the product was applied.
- C. All invoices or similar records evidencing all procurement.
- D. If the City will include procurement of recovered organic waste products made by a direct service provider to comply with the procurement requirements of Section 14.06.12.010.A above, the City shall include all records of procurement of recovered organic waste products made by the direct service provider on behalf of the City including invoices or similar records evidencing procurement.
- E. If the City will include renewable gas procured from a POTW for any of the uses identified in Section 14.06.12.010.C.2 to comply with the procurement requirements of Section 14.06.12.010.A, a written certification by an authorized representative of the POTW, under penalty of perjury in a form and manner determined by the City, attesting to the following for the applicable procurement compliance year:
1. That the POTW was in compliance with the exclusion in 14 CCR Section 17896.6(a)(1);
  2. The total tons of organic waste received from the types of solid waste facilities listed in Section 14.06.12.010.E.1 above; and
  3. The percentage of biosolids that the POTW produced and transported to activities that constitute landfill disposal.
- F. If the City will include electricity procured from a biomass conversion facility to comply with the procurement mandate of Section 14.06.12.010.A, a written certification by an authorized representative of the biomass conversion facility certifying that biomass feedstock was received from a permitted solid waste facility identified in Section 14.06.12.010.F shall be provided to the City. The certification shall be furnished under penalty of perjury in a form and manner determined by the City.
- G. If the City is implementing the procurement requirements of Section 14.06.12.010.A through an adjusted recovered organic waste product procurement target pursuant to Section 14.06.12.010.G, the City shall include records evidencing the total amount of transportation fuel, electricity, and gas for heating applications procured during the calendar year prior to the applicable reporting period.
- H. If the City is complying with the requirements of Section 14.06.12.010 through the procurement of mulch, a copy of said Section 14.06.12.010.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18993.2*

#### **14.06.12.030 – Recycled Content Paper Procurement Requirements**

A. The City shall procure paper products, and printing and writing paper, consistent with the requirements of Sections 22150 through 22154 of the Public Contract Code.

B. In addition to meeting the requirements of subsection A above, paper products and printing and writing paper shall be eligible to be labeled with an unqualified recyclable label as defined in 16 CCR Section 260.12 as published January 1, 2013, which is hereby incorporated by reference. Generally a product can be labeled with an unqualified recyclable label if the product can be collected, separated, or otherwise recovered from the waste stream through an established recycling program for reuse or use in manufacturing or assembling another item.

C. All businesses from whom the City purchases paper products and printing and writing paper must certify in writing to the City:

1. The minimum percentage, if not the exact percentage, of postconsumer material in the paper products and printing and writing paper offered or sold to the City. The certification shall be furnished under penalty of perjury in a form and manner determined by the City. The City may waive the certification requirement if the percentage of postconsumer material in the paper products, printing and writing paper, or both can be verified by a product label catalog, invoice, or manufacturer or vendor internet website.

2. That the paper products and printing and writing paper offered or sold to the City is eligible to be labeled with an unqualified recyclable label as defined in the above-referenced 16 CFR Section 260.12.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18993.3*

#### **14.06.12.040 – Recordkeeping Requirements for Recycled Content Paper Procurement**

The City shall include in the Implementation Record all documents supporting its compliance with this Part 12, including without limitation the following:

A. Copies of invoices, receipts or other proof of purchase that describe the procurement of paper products by volume and type for all paper purchases.

B. Copies of all certifications or other verification required under Section 14.06.12.030 above.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18993.4*

## **Part 13**

### **Reporting**

#### **14.06.13.010 – City’s Initial Compliance Report**

Not later than April 1, 2022, the City shall report the following information to CalRecycle pertaining to the City’s implementation and compliance with the requirements of this Chapter 14.06:

- A. A copy of this Chapter 14.06.
- B. The reporting items identified in Section 14.06.13.020 below.
- C. The following contact information:
  - 1. The name, mailing address, phone number, and e-mail address of the City employee designated by the City as the primary contact person for purposes of receiving communications regarding compliance with this Chapter 14.06.
  - 2. The name and address of the agent designated by the City for the receipt of service of process from CalRecycle for the purpose of enforcement of this Chapter 14.06 if different from that in Subsection C.1 above.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18994.1*

#### **14.06.13.020 – City’s Annual Reports**

- A. Reporting Schedule. The City shall report the information required in this Section to CalRecycle according to the following schedule:
  - 1. On or before October 1, 2022, the City shall report for the period of January 1, 2022 through June 30, 2022.
  - 2. On or before August 1, 2023, and on or before August 1 each year thereafter, the City shall report for the period covering the entire previous calendar year.
- B. Information Regarding Collection. The City shall report the following, relative to the City’s implementation of the organic waste collection requirements of Part 3 of this Chapter 14.06:
  - 1. The type of organic waste collection service(s) provided by the City to its generators.
  - 2. The total number of generators that receive each type of organic waste collection service provided by the City.

3. If the City is implementing an organic waste collection service that requires transport of the contents of containers to a high diversion organic waste processing facility, the City shall identify the Recycling and Disposal Reporting System number of each facility that receives organic waste from the City.

4. If the City allows placement of compostable plastics in containers pursuant to Sections 14.06.03.020 or 14.06.03.030 above, the City shall identify each facility that has notified the City that it accepts and recovers that material.

5. If the City allows placement of compostable plastics in containers pursuant to Sections 14.06.03.020 or 14.06.03.030 above, the City shall identify each facility that has notified the City that it can accept and remove plastic bags when it recovers source separated organic waste.

C. Information Regarding Monitoring. The City shall report the following relative to its implementation of the contamination monitoring requirements of Part 3 of this Chapter 14.06:

1. The number of route reviews conducted for prohibited container contaminants.
2. The number of times notices, violations, or targeted education materials were issued to generators for prohibited container contaminants.
3. The results of waste evaluations performed to meet the container contamination minimization requirements and the number of resulting targeted route reviews.

D. Information Regarding Waivers. The City shall report the following relative to its implementation of waivers pursuant to Part 3 of this Chapter 14.06:

1. The number of days an emergency circumstances waiver as allowed in Section 14.06.03.130 as in effect, and the type of waiver issued.
2. The tons of organic waste that were disposed as a result of those waivers, except disaster and emergency waivers granted in Section 14.06.03.130(B).
3. The number of generators issued a de-minimis waiver.
4. The number of generators issued a physical space waiver.
5. If the City receives a waiver from CalRecycle pursuant to 14 CCR Section 18984.12, the City shall report, as to each year the waiver is in effect, the number of generators waived from the requirement to subscribe to an organic waste collection service.

E. Information Regarding Education and Outreach. With respect to the City's implementation of education and outreach required by Part 4 of this Chapter 14.06, the City shall report the number of organic waste generators and edible food generators that received information and the type of education and outreach used.

F. Information Regarding Hauler Oversight. The City shall report the following regarding its implementation of the hauler oversight requirements of Part 7 of this Chapter 14.06:

1. The number of haulers approved to collect organic waste in the City.
2. The Recycling and Disposal Reporting System number of each facility that is receiving organic waste from haulers approved by the City.
3. The number of haulers that have had their approval revoked or denied.

G. Information Regarding CalGreen and Water Efficient Landscape Requirements. The City shall report the following regarding its implementation of the CalGreen Building Standards and Model Water Efficient Landscape Ordinance as required by Part 8 of this Chapter 14.06:

1. The number of construction and demolition debris removal activities conducted in compliance with Section 14.06.08.010.
2. The number of projects subject to Section 14.06.08.020.

H. Information Regarding Edible Food Recovery. The City shall report the following regarding its implementation of the edible food recovery requirements of Part 10 of this Chapter 14.06:

1. The number of commercial edible food generators located within the City.
2. The number of food recovery services and organizations located and operating within the City that contract with or have written agreements with the commercial edible food generators for food recovery. The City shall and hereby does require food recovery organizations and services that are located within the City and that contract with or have written agreements with commercial edible food generators pursuant to Section 14.06.10.030.B to report to the City the amount of edible food in pounds recovered by the service or organization in the previous calendar year.
3. The total pounds of edible food recovered by food recovery organizations and services pursuant to subsection H.2 above.

I. Information Regarding Procurement Requirements. The City shall report the following regarding its implementation of the procurement requirements of Part 12 of this Chapter 14.06:

1. The amount of each recovered organic waste product procured directly by the City, or through direct service providers, or both, during the prior calendar year.
2. If the City is implementing the procurement requirements of Section 14.06.12.010 through an adjusted recovered organic waste product procurement target pursuant to Section 14.06.12.010.G, the City shall include in its report the total amount of transportation fuel, electricity, and gas for heating applications procured during the calendar year prior to the applicable reporting period.

J. Information Regarding Compliance, Monitoring and Enforcement. The City shall report the following regarding its implementation of the compliance, monitoring, and enforcement requirements specified in Parts 14, 15 and 16 of this Chapter 14.06:

1. The number of commercial businesses that were included in a compliance review performed by the jurisdiction pursuant to Section 14.06.14.020.A.1 below, as well as the number of violations found and corrected through compliance reviews if different from the amount reported in subsection J(5) below.
2. The number of route reviews conducted.
3. The number of inspections conducted by type for commercial edible food generators, food recovery organizations, and commercial businesses.
4. The number of complaints pursuant to 14.06.14.030 below that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints.
5. The number of Notices of Violation issued, categorized by type of entity subject to this Chapter 14.06.
6. The number of penalty orders issued, categorized by type of entity subject to this Chapter 14.06.
7. The number of enforcement actions that were resolved, categorized by type of regulated entity.

K. Changes of Information. The City shall report any changes to the information described in Sections 14.06.13.010.A (this Chapter 14.06) and C (contact information)

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18994.2*

## **Part 14**

### **Enforcement Requirements**

#### **14.06.14.010 – City Inspection Requirements**

A. On or before January 1, 2022, the City shall have an inspection and enforcement program that is designed to ensure overall compliance with this Chapter 14.06 and that, at a minimum, includes the following requirements:

1. Beginning January 1, 2022, and at least annually thereafter, the City shall conduct the following:
  - (a) If the City is using the compliance method described above in Sections 14.06.03.020 (three container) or 14.06.03.030 (two container), the City shall complete a compliance review of all solid waste collection accounts for commercial businesses that are subject to the City's authority and that generate two (2) cubic yards or more per week of solid waste, including organic waste.
    - (i) The City shall also determine compliance with organic waste generator requirements set forth in Section 14.06.03.090.A, and shall also



determine compliance with self-haul requirements set forth in Section 14.06.07.030.

(ii) Beginning April 1, 2022, the City shall either:

(x) conduct annual route reviews of commercial businesses and residential generators for compliance with organic waste generator requirements set forth in Section 14.06.03.090.A and container contamination requirements set forth in Section 14.06.03.050, or

(y) perform waste evaluations consistent with Section 14.06.03.050.C to verify commercial businesses' and residential generators' compliance with the organic waste generator requirements set forth in Section 14.06.03.090.A.

(b) If the City is using the compliance method described in Section 14.06.03.040 above (that is, a single-container system), the City shall conduct a compliance review of all solid waste collection accounts for commercial businesses that are subject to City authority and generate two cubic yards or more per week of solid waste, including organic waste. In doing so, the City shall determine compliance with:

(i) organic waste generator requirements set forth in Section 14.06.03.090.A and document whether the business is transporting the contents to a high diversion organic waste processing facility; or

(ii) self-hauling requirements pursuant to Section 14.06.07.030, including whether a business is complying through back-hauling organic waste.

2. Beginning January 1, 2022, the City shall conduct inspections of tier one commercial edible food generators and food recovery organizations and services for compliance with this Chapter 14.06. Beginning January 1, 2024, the City shall conduct inspections of tier two commercial edible food generators for compliance with Part 10 of this Chapter 14.06.

3. Beginning January 1, 2022, the City shall investigate complaints as required under Section 14.06.14.030 below.

4. Beginning January 1, 2022 and until December 31, 2023, the City shall provide educational material describing the applicable requirements of this Chapter 14.06 in response to violations.

5. Beginning January 1, 2024, the City shall enforce this Chapter 14.06 pursuant to Sections 14.06.14.030 and 14.06.16.020 below in response to violations.

6. At least every five (5) years from the date of issuance, the City shall verify through inspection that commercial businesses are meeting de minimis and physical space waivers for compliance consistent with the requirements of Section 14.06.03.110.

B. The City shall conduct a sufficient number of route reviews and inspections of entities described in this Section 14.06.14.010 to adequately determine overall compliance with this Chapter 14.06. The City may prioritize inspections of entities that the City determines are more likely to be out of compliance.

C. The City shall generate a written or electronic record for each inspection, route review, and compliance review conducted pursuant to this Chapter 14.06: Each record shall include, at a minimum, the following information:

1. Identifying information for the subject or subjects of the inspection, route review, or compliance review, such as, but not limited to: (a) the name or account name of each person or entity; (b) a description of the hauler route and addresses covered by a route review; and (c) a list of accounts reviewed for each compliance review.

2. The date or dates the inspection, route review, or compliance review was conducted.

3. The person or persons who conducted the action.

4. The City's findings regarding compliance with this Chapter 14.06, including any Notices of Violation or educational materials that were issued.

5. Any relevant evidence supporting the findings in subsection C.4 above, such as, but not limited to, photographs and account records.

6. Route review records shall also include a description of the locations of the route review(s) and the addresses where prohibited container contaminants are found, if any.

D. Documentation of route reviews, compliance reviews, and inspections, as well as all other records of enforcement conducted pursuant to this Chapter 14.06, shall be maintained in the Implementation Record, including without limitation:

1. Copies of all documentation of route reviews, compliance reviews, and inspections.

2. Copies of all enforcement actions required by Section 14.06.14.040 below.

3. A list of the date(s) that the City determined an entity complied with a Notice of Violation and the evidence that supports that compliance determination.

4. Copies of notices and educational material provided as required by this Section 14.06.14.010.

E. Consistent with subsection B of Section 14.06.01.010, the City may have a designee conduct inspections required by this Section.

F. Any records obtained by the City through its implementation and enforcement of the requirements of this Chapter 14.06 shall be subject to the requirements and applicable disclosure exemptions of the Public Records Act as set forth in Government Code Section 6250 *et seq.*

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18995.1*

#### **14.06.14.020 – Implementation Record and Recordkeeping Requirements**

A. The City shall maintain all records required by this Chapter 14.06 in the Implementation Record.

B. The Implementation Record shall be stored in one central location, physical or electronic, that can be readily assessed by CalRecycle.

C. Upon CalRecycle's request, the City shall provide access to the Implementation Record within ten (10) business days.

D. All records and information shall be included in the Implementation Record within sixty (60) days of the creation of the records or information.

E. All records shall be retained by the City for five (5) years.

F. At a minimum, the following shall be included in the Implementation Record:

1. A copy of all ordinances or other similarly enforceable mechanisms, contracts, and agreements, as required by this Chapter 14.06.

2. A written description of the City's inspection and enforcement program that the City uses to comply with Section 14.06.14.010 above and this Section 14.06.14.020.

3. All organic waste collection service records required by Section 14.06.03.040.

4. All contamination minimization records required by Section 14.06.03.060.

5. All waiver and exemption records required by Section 14.06.03.14.

6. All education and outreach records required by Section 14.06.04.030.

7. All hauler program records required by Section 14.06.07.040.

8. All edible food recovery program records required by Section 14.06.10.020.

9. All recovered organic waste procurement target records required by Section 14.06.12.020.

10. All recycled content paper procurement records required by Section 14.06.12.040.
11. All inspection, route review, and compliance review documents generated pursuant to the requirements of Section 14.06.14.010.
12. All records of enforcement actions undertaken pursuant to this Chapter 14.04.
13. All records of complaints and investigations of complaints required by Section 14.06.14.030 and compliance with the City's inspection and enforcement requirements of Section 14.06.14.010.
14. All records required by Section 14.06.17.040 if the City is implementing a performance-based source separated organic waste collection service under Part 17 of this Chapter 14.06.

G. All records maintained in the Implementation Record shall be subject to the requirements and applicable disclosure exemptions of the Public Records Act as set forth in Government Code Section 6250 *et seq.*

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18995.2*

#### **14.06.14.030 – City Investigation of Complaints of Alleged Violations**

A. The City shall provide a procedure for the receipt and investigation of written complaints of alleged violations of this Chapter 14.06. The City shall allow for the submission of anonymous complaints.

B. The procedure shall provide that complaints be in writing and include the following information:

1. If the complaint is not anonymous, the name and contact information of the complainant.
2. The identity of the alleged violator, if known.
3. A description of the alleged violation, including location(s) and all other relevant facts known to the complainant.
4. Any relevant photographic or documentary evidence to support the allegations in the complaint.
5. The identity of any witnesses, if known.

C. The City shall commence an investigation within ninety (90) days of receiving a complaint that meets the requirements of subsection B above if the City determines that the allegations, if true, would constitute a violation of this Chapter 14.06. The City may decline to investigate a complaint if, in its judgment, investigation is unwarranted because the allegations are contrary to facts known to the City.

D. The City shall provide a procedure to notify a complainant of the results of the complaint if the identify and contacts information of the complainant are known.

E. The City shall maintain in the Implementation Record records of all complaints and responses made pursuant to this Section. The records shall include the complaint as received and the City's determination of compliance or notice of violations issued.

*Regulatory Reference: SB 1383 (2016) and CCR § 18995.3*

#### **14.06.14.040 – Enforcement by City**

A. With the exception of violations of the prohibited container contaminants provisions in Section 14.06.03.050.A, which the City shall enforce through the notice provisions of Section 14.06.14.050.B, for violations of this Chapter 14.06 occurring on or after January 1, 2024, the City shall take enforcement action as set forth in this Section.

1. The City shall issue a Notice of Violation requiring compliance within sixty (60) days of the issuance of that notice.
2. Absent compliance by the respondent within the deadline set forth in the Notice of Violation, the City shall commence an action to impose penalties pursuant to Part 16 of this Chapter 14.06.

B. The City may extend the compliance deadlines set forth in a Notice of Violation issued pursuant to subsection A above if the City finds that extenuating circumstances beyond the control of the respondent make compliance with the deadlines impracticable. For purposes of this Section, extenuating circumstances are:

1. Acts of God such as earthquakes, wildfires, flooding, and other emergencies or natural disasters;
2. Delays in obtaining discretionary permits or other government agency approvals; and
3. Deficiencies in organic waste recycling capacity infrastructure or edible food recovery capacity, and the relevant jurisdiction is under a Corrective Action Plan pursuant to Section 14.06.15.020 due to those deficiencies.

C. A Notice of Violation shall include the following information:

1. The name(s), or account name(s) if different, of each person or entity to whom it is directed.
2. A factual description of the violations of this Chapter 14.06, including the Sections being violated.
3. A compliance date by which the operator is to take specified action(s).
4. The penalty for not complying within the specified compliance date.

**Part 15**  
**Enforcement Oversight by CalRecycle**

**14.06.15.010 – CalRecycle Evaluation of City Compliance.**

The City shall cooperate with CalRecycle as to any investigation conducted by CalRecycle pursuant to 14 CCR Section 18996.1. If CalRecycle notifies the City that this Chapter 14.06 is inconsistent with or does not meet the requirements of Chapter 12 of Division 7 of Title 14 of the CCR, the City shall within 180 days from that notice modify this Chapter 14.06 to correct the deficiencies.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18996.1*

**14.06.15.020 – Corrective Action Plan.**

The City will comply with any Corrective Action Plan issued to it by CalRecycle pursuant to 14 CCR Section 18996.2.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18996.2*

**14.06.15.030 – Access for CalRecycle’s Inspection**

Upon presentation of proper credentials, an authorized employee or agent of CalRecycle shall be allowed to enter the premises of any entity subject to this Chapter 14.06 during normal working hours to conduct inspections and investigations on order to examine organic waste recovery activities, edible food recovery activities, and records in order to determine compliance with this Chapter 14.06. Without limiting the generality of the foregoing, such entities shall allow the authorized CalRecycle employee or agent to review or copy (or both) any paper records, electronic records, or other records required by this Chapter 14.06.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18996.4*

**14.06.15.040 – Joint Enforcement Referral**

The City reserves the right – in cooperation with other cities, the County of Los Angeles, and/or other jurisdictions – to file a joint enforcement referral with CalRecycle under 14 CCR Section 18668.5, pursuant to which CalRecycle may enforce this Chapter 14.06 against one or more organic waste generators.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18996.5*

**Part 16**  
**Administrative Civil Penalties**

**14.06.16.010 -- Scope**

The City hereby adopts this Part 16 of Chapter 14.06 in order to establish enforceable mechanisms for the imposition of penalties as required by 14 CCR Sections 18997.1 and 18992.2.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18997.1*

**14.06.16.020 – Penalty Amounts**

A. Penalties for violations of the requirements of this Chapter 14.06 shall be as follows:

1. For a first violation, the amount of the base penalty shall be Fifty Dollars (\$50.00) to One Hundred Dollars (\$100.00) per violation.
2. For a second violation, the amount of the base penalty shall be One Hundred Dollars (\$100.00) to Two Hundred Dollars (\$200.00) per violation.
3. For a third or subsequent violation, the amount of the base penalty shall be Two Hundred Fifty Dollars (\$250.00) to Five Hundred Dollars (\$500.00) per violation.

B. Nothing in this Section shall be construed as preventing the City from revoking, suspending, or denying a permit, registration, license, or other authorization consistent with City requirements outside the scope of this Chapter 14.06, in addition to the imposition of penalties authorized under this Section.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18997.2*

**Part 17**  
**Performance-Based Source Separated Organic Waste Collection Service**

**14.06.17.010 – Requirements for Performance-Based Source Separated Collection Service**

A. The City hereby reserves the right to implement a performance-based organic waste collection service by doing all of the following:

1. Providing a three-container organic waste collection service consistent with Section 14.06.03.020 to at least ninety percent (90%) of the commercial businesses in the City and to at least ninety percent (90%) of the City's residents.
2. Transporting the contents of the source separated organic waste collection stream to a designated source separated organic waste facility.

3. Ensuring that the presence of organic waste in the gray container collection stream does not exceed an annual average of twenty-five percent (25%) by weight.

(a) The annual average percent of organic waste present in the gray container collection stream shall be determined by the results of waste evaluations performed by the City pursuant to Section 14.06.03.050.

(b) The annual average percent of organic waste present in a jurisdiction's gray container collection stream is the average of the results of the gray container waste collection stream samples performed by the City in the immediately previous four (4) quarters pursuant to said section 14.06.03.050.

4. Providing collection service to organic waste generators, without any requirement that commercial businesses or residents first request solid waste collection service prior to enrollment in those services.

5. Notifying CalRecycle pursuant to Section 17.06.17.030 below.

B. If the City implements a performance-based organic waste collection service and delegates collection services to a designee, the City shall include in its contracts or agreements with the designee a requirement that all haulers transport the source separated organic waste collection stream collected from generators to a designated source separated organic waste facility.

C. If the City fails to meet the requirements of this Section after notifying CalRecycle in accordance with Section 17.06.17.030 below, the City shall implement an organic waste collection service that complies with the requirements of part 3 of this Chapter 14.06.

D. If the City implements a performance-based organic waste collection service pursuant to this Section, a hauler providing a performance-based source separated collection service is not required to comply with the provisions of Section 14.06.07.020, but shall comply with the following:

1. Only transport the source separated organic waste collection stream to a designated source separated organic waste recycling facility.

2. Keep a record of the documentation of its approval by the City.

E. The requirements of subsection D above are not applicable to:

1. A hauler that, consistent with public Resources Code sections 41950 *et seq.*, transports source separated organic waste to a community composing site; or

2. A hauler that is lawfully transporting construction and demolition debris in compliance with Section 14.06.08.010 above.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18998.1*



#### **14.06.17.020 – Compliance Exceptions**

If the City implements a performance-based source separated collection service that meets the requirements of Section 14.0-6.17.010, the City shall not be subject to the following:

- A. The two-container and single-container requirements of Sections 14.06.03.030 and 14.06.03.040.
- B. The container labeling requirements in Section 14.06.03.080, and the waiver provisions of Section 14.06.03.110.
- C. The recordkeeping requirements in Sections 14.06.03.040 and 14.06.03.140.
- D. The organic waste recovery education and outreach requirements in Section 14.06.04.010.
- E. The recordkeeping requirements in Section 14.06.04.030, except as related to edible food recovery education and outreach performed under Section 14.06.04.020.
- F. The regulation of haulers in Part 7 of this Chapter 14.06.
- G. The City's annual reporting requirements in subsections C.1, C.2, D, E, F, and J of Section 14.06.13.020.
- H. The City's inspection and enforcement requirements in Section 14.06.14.010, except for the provisions related to edible food generators and food recovery organizations and services in that Section.
- I. The Implementation Record and recordkeeping requirements in subsections 2.F.3 through 2.F.7 of Section 14.06.14.020. Implementation Records requirements of subsections 2.F.11, 2.F.12 and 2.F.13 of said Section 14.06.14.020 shall only be required for inspections and enforcement related to edible food generators and food recovery organizations and services.
- J. The City's investigation of complaints of alleged violations and requirements in Section 14.06.14.040, except as it pertains to entities subject to the edible food recovery requirements of Part 10 of this Chapter 14.06.
- K. The City's enforcement requirements in Section 14.06.14.040, except as it pertains to entities subject to the edible food recovery requirements of Part 10 of this Chapter 14.06.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18998.2*

#### **14.06.17.030 – Notification to CalRecycle**

A. If the City implements a performance-based source separated collection service beginning in 2022, the City shall notify CalRecycle on or before January 1, 2022. If the City will implement a performance-based source separated collection system in any subsequent year, the City shall notify CalRecycle on or before January 1 of that year.

- B. The notification required by subsection A above shall include the following information:
1. The name of the City.
  2. The date on which the City will start providing the performance-based source separated collection service.
  3. Contact information for the City, including the name, address, and telephone number of the City representative with primary responsibility for ensuring compliance with this Part 17.
  4. The address within the City where all records required by this Chapter 14.06 are maintained.
  5. A list of each designated source separated organic waste facility, landfill disposal facility, and any other solid waste facility and their Recycling and Disposal Reporting System numbers, for any facility that will be receiving solid waste directly from the City.
  6. The name of any designee to whom the City has delegated responsibilities pursuant to 14.06.17.010, and any relevant documentation demonstrating the designee's obligation to comply with the provisions of this Part 17.
  7. A statement by the City representative with primary responsibility for ensuring compliance with this Part 17, under penalty of perjury, that all information contained in the notification is true and correct to the best of that person's knowledge and belief.
  8. The percent of commercial businesses and the percent of the residential sector currently enrolled in organic waste collection services provided by the City.

C. If the City implements a performance-based source separated collection service, then in the initial report to CalRecycle required in Section 14.06.13.010, the City shall certify that at least ninety percent (90%) of the City's commercial businesses and ninety percent (90%) of the City's residential sector are enrolled in a collection service that complies with the requirements of Section 14.06.17.010.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18998.3*

#### **14.06.17.040 – Recordkeeping**

If the City implements a performance-based source separated collection service pursuant to this Part 17, the City shall maintain the following information and documents in the Implementation Record:

- A. The geographical area each designee serves.
- B. If a designee is used, a copy of the contract or agreement for each designee specifying the requirement that all haulers transport the source separated organic waste collection stream

collected from generators subject to the City's authority to a designated source separated organic waste facility.

C. Records indicating compliance with Section 14.06.17.010.A, including without limitation:

1. A current list of generator addresses subject to the City's authority.
2. A current list of generator addresses subject to the City's authority that are served with a performance-based source separated organic waste collection service.
3. A current list of generator addresses within the City that the City does not require to use the performance-based source separated organic waste collection service.
4. Documentation of the enrollment system used by the City consistent with Section 14.06.17.010.A.4.

D. Even if the City implements a performance-based source separated collection service, the City is still required to maintain the following records specified in the following subsections of Section 14.06.14.020:

1. Subsection F.1.
2. Subsection F.2 and F.6 as they pertain to the edible food recovery requirements of this Chapter 14.06.
3. Subsections F.8, F.9 and F.10.
4. Subsections F.11, F.12 and F.13 as they pertain to the edible food recovery requirements of this Chapter 14.06.

*Regulatory Reference: SB 1383 (2016) and 14 CCR § 18998.4*

END OF ORDINANCE

**ATTACHMENT B**  
Office of the  
South Gate City Clerk  
OCT 25 2021  
**FILED**

**CITY OF SOUTH GATE**  
**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the City Council of South Gate, California will conduct a Public Hearing for the purpose of introducing an Ordinance to amend Title 13 (Franchises) and add Title 14 (Waste Handling and Recycling) as required to comply with Senate Bill 1383-Short-Lived Climate Pollutants: Methane Emissions: Dairy and Livestock: Organic Waste: Landfills), to the South Gate Municipal Code. A copy of the Ordinance may be reviewed in the City Clerk's office during normal business hours.

A copy of the Ordinance may be reviewed in the City Clerk's office during normal business hours. The Public Hearing is schedule for:

DATE: November 9, 2021

TIME: 6:30 p.m.

LOCATION: Members of the public wishing to observe the meeting may join through a Call in Conference. For the updated Dial-In Number and Conference Code for the November 9, 2021 City Council meeting please visit the City's website at [ww.cityofsouthgate.org/Agenda](http://ww.cityofsouthgate.org/Agenda) Center OR attend in person in Council Chambers, 8650 California Avenue, South Gate, California

NOTICE IS HEREBY GIVEN that any and all persons interested in the matter herein above set forth are privileged to attend said hearing and then and there testify or present evidence upon any matter relating thereto.

THIS NOTICE IS GIVEN by order of the City Clerk of said City and is dated October 25, 2021

  
\_\_\_\_\_  
Carmen Avalos, City Clerk

Publication Date: October 28, 2021

Account Number: 413-733-51-6309


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
8:00 pm

City of South Gate  
CITY COUNCIL

AGENDA BILL

For the Regular Meeting of: November 9, 2021  
Originating Department: City Manager's Office

Interim City Manager:   
Chris Jeffers

Interim City Manager:   
Chris Jeffers

**SUBJECT: RESOLUTION APPROVING A JOINT EXERCISE OF POWERS AGREEMENT WITH THE CMFA SPECIAL FINANCE AGENCY TO ISSUE REVENUE BONDS FOR THE PURCHASE OF THE JEFFERSON SoLA APARTMENT COMPLEX**

**PURPOSE:** For the City Council to consider authorizing the CMFA Special Finance Agency ("Agency") to issues bonds for the purchase of the Jefferson SoLA apartment complex located at 10920 Garfield Avenue (Assessor Parcel Number 6234-005-014) (the "Project"), in order to provide affordable housing opportunities to middle-income households.

- RECOMMENDED ACTIONS:** The City Council will consider:
- a. Adopting a Resolution approving, authorizing, and directing the execution of a Joint Exercise of Powers Agreement relating to the Agency, and supporting the Agency's issuance of bonds for the production, preservation, and protection of middle-income rental housing ("Middle-Income Housing Program");
  - b. Authorizing the City Manager to enter into a Public Benefit Agreement ("PBA"), substantially in the form attached, with the Agency;
  - c. Authorizing the City Manager to execute related documents and take any additional actions that may be required to implement the Middle-Income Housing Program; and
  - d. Accepting the determination that this proposed action is Exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c)(2) and 15060(c)(3) because it will not result in a direct or reasonably foreseeable indirect physical change in the environment, and it is not a "project" pursuant to Section 15378(b)(5) of the State CEQA Guidelines.

**FISCAL IMPACT:** Should the City Council adopt the Resolution and authorize acquisition of the Project by the Agency, the Project will be exempt from paying the ad valorem property tax (1%) because it would be government-owned. Any direct levies or special taxes and assessments, including local government and school bonds, would still be collected. Therefore, the immediate fiscal impact would be the loss of annual property taxes for up to 35 years, beginning at approximately \$83,000 in the first year, which is the amount the General Fund is estimated to receive if the Project were a taxable, privately-owned, market-rate apartment complex. The cumulative loss of property tax revenue to the City is estimated at \$1.4 million through Year 15 and \$4.2 million through Year 35 (or \$1.1 million and \$2.4 million in present value 2021 dollars).

However, as part of the Public Benefit Agreement that would be executed between the City and Agency, the City will have the right to cause the Agency to sell the Project after Year 15 and before Year 35 (or when the bonds are fully repaid, if earlier), and the City will receive all net surplus proceeds after payment of all outstanding debt, transaction costs, and other required distributions. According to projections prepared by the Agency's representatives and reviewed by the City's consultant, the City could receive net proceeds of more than \$21 million by Year 15, or more than \$186 million if the Project is sold in 35 years (or \$ \$14 million and \$66 million, respectively, in present value 2021 dollars).

In addition, the Agency has agreed to share with the City 25% of the transaction fees it will earn for its role in issuing acquisition bonds, an amount estimated at \$112,000, which would be deposited into the General Fund and can be used for any lawful City purpose. (A similar amount will be donated by the Agency to one or more non-profit organizations that serve the City, at the direction of the City.)

As shown in Table 1, despite the loss of property taxes due to the Project being tax-exempt, the City would receive a positive net fiscal benefit between \$13 million and \$64 million (in present value 2021 dollars) depending on when the Project is resold in the future. The projected sale proceeds far exceed the projected cumulative foregone property tax.

**Table 1: Fiscal Impact Summary**

<u><b>If Project Sold in Year 15</b></u>	<u><b>In 2021 Dollars*</b></u>		
	<u><b>(Present Value)</b></u>	<u><b>Year 1</b></u>	<u><b>Year 1-15</b></u>
Foregone Property Tax	\$ (1,130,000)	\$ (83,000)	\$ (1,436,000)
Agency reimbursement	\$ 112,000	\$ 112,000	
Projected Net Surplus Proceeds	\$ 14,044,000		\$ 21,880,000
Projected Net Fiscal Impact	<u>\$ 13,026,000</u>		

<u><b>If Project Sold in Year 35</b></u>	<u><b>In 2021 Dollars*</b></u>		
	<u><b>(Present Value)</b></u>	<u><b>Year 1</b></u>	<u><b>Year 1-35</b></u>
Foregone Property Tax	\$ (2,402,000)	\$ (83,000)	\$ (4,151,000)
Agency reimbursement	\$ 112,000	\$ 112,000	
Projected Net Surplus Proceeds	\$ 66,230,000		\$ 186,361,000
Projected Net Fiscal Impact	<u>\$ 63,940,000</u>		

*\* based on a 3% discount rate for future years*

The City incurs no costs, liabilities, or administrative responsibilities in connection with membership in the Agency or participation in the Middle-Income Housing Program (other than staff and consultant time to review and approve the transaction and documentation). The City is not the bond issuer and provides no funding or credit enhancement to the transaction. The acquisition bonds do not diminish the City's issuing capacity and are backed solely by the Project revenues.

**BACKGROUND:**

**Middle-Income Housing Programs**

There is currently limited Federal, State, or local subsidies or programs to produce or preserve the growing shortfall of below market rate rental housing for moderate and middle-income households,



which are those earning from 80% to 120% of area median income ("AMI"). To date, affordable housing programs in California have almost exclusively focused on providing housing for lower-income households, and State and federal funding sources are almost exclusively targeted to households at or below 60% of AMI. This has left a "missing middle," comprised of households that earn too much to qualify for traditional affordable housing programs but not enough to afford market rate housing.

In the last several years, three different entities have developed similar Middle Income Housing Programs, for the purpose of issuing tax-exempt bonds to acquire market rate apartment buildings and convert them into income- and rent-restricted units for households earning between 61% and 120% of AMI. The three entities include California Municipal Finance Authority ("CMFA"), as well as the California Statewide Communities Development Authority (CSCDA) and the California Community Housing Agency (CalCHA). Each entity was formed as a joint powers authority ("JPA") pursuant to California Government Code Sections 6500-6599.

Cities, counties, and housing authorities become non-voting members of the JPA by adopting a Resolution Attachment A) and executing the JPA Agreement (Attachment B). The City authorizes the JPA to issue bonds at no cost or liability to the City. As a public entity, the JPA issues tax-exempt revenue bonds and uses the proceeds to acquire properties within member municipalities. The debts, liabilities, and obligations of the JPA are legally separate and apart from the members. The debt service on the bonds is supported solely from project revenues and receipts.

Every project acquired by the JPA becomes exempt from property tax. The JPA records a Regulatory Agreement Attachment C) that restricts rents to be affordable for households at different maximum income-limit mixes between 80% and 120% of AMI. If there are existing tenants of an acquired property who income-qualify, their rents are restricted. For non-qualifying tenants, they may remain in place at market rate. As units turnover, they become income- and rent-restricted for the next tenant. Annual rent increases are capped at 4%.

The Regulatory Agreement period is for up to 35 years while the Project is under JPA ownership and the bonds are outstanding. Through its right to repurchase, a city can opt to extend the affordability restrictions beyond the transaction period and/or convey the property to an entity that can operate it as rent-restricted affordable housing. Alternatively, the city also has the option to allow the property to return to market rate rents and thus convey it for a higher market value.

As described earlier, under the terms of the Public Benefit Agreement Attachment D), the JPA grants all financial upside to the underlying member jurisdiction. Between years 15 and 35, the city has a right to purchase the property for the amount of outstanding debt. (This right could be lost, however, if bondholders ever foreclosed on the property.) If the city declines to purchase, the JPA must sell the property and distribute the net proceeds to the city.

To date, more than two dozen cities across the State have joined one or more of the three JPAs and have approved similar Middle-Income Housing Program acquisition/conversion transactions, including Carson, Anaheim, Long Beach, Glendale, Dublin, Livermore, and Santa Rosa.

#### **CMFA Special Finance Agency**

CMFA was created on January 1, 2004, by a joint exercise of powers agreement pursuant to California Government Code Sections 6500-6599 to promote economic, cultural and community development, through the financing of economic development and charitable activities throughout California. To date,

over 300 municipalities have become members of CMFA, including the City of South Gate, which joined in 2013 in connection with tax credit financing for the Calden Apartments project. In 2021, CMFA established the CMFA Special Finance Agency as an affiliate JPA to finance a Middle-Income Housing Program. CMFA's first Middle-Income Housing Program property acquisition was in the City of Anaheim and has more recently closed on two more properties in Huntington Beach.

### **Project Administrator: Standard Communities and Standard-Faring Essential Housing**

Prospective Middle-Income Housing Program transactions are initially identified on behalf of the JPA by a "Project Administrator" (sometimes referred to as the "Sponsor"), which plays a key role in brokering the transaction between a property seller, the JPA, and the host city. The role of the Project Administrator includes due diligence (evaluating condition of the property, rents and operating costs, and prospective post-conversion cash flow; estimating reserves, fees, closing costs, and bond financing required), negotiating purchase and sale terms, financing the down payment for purchase, seeking approval of the city, closing on the transaction, overseeing the property manager and leasing, and ensuring compliance with the Regulatory Agreement on behalf of the JPA owner.

Two real estate firms, Standard Communities and Faring, formed a joint venture, Standard-Faring Essential Housing ("Standard-Faring"), earlier this year to partner on the acquisition and conversion of market rate properties into middle-income housing. Standard-Faring has proposed this transaction in South Gate; however, the entity that will serve as the Project Administrator for the Jefferson SoLA Project is Standard Property Company, Inc., an affiliate of Standard Communities. Standard Communities has completed the acquisition and conversion of other apartment buildings into the Middle-Income Housing Program in other communities, including Glendale and Carson.

Based in New York and Los Angeles, Standard Communities (<https://www.standard-communities.com/>) has a national portfolio of over 11,500 apartment units, including approximately 10,500 affordable and workforce housing units, and has completed more than \$3 billion of affordable housing acquisitions and rehabilitations nationwide. Standard Communities strives to cultivate long-term public and private partnerships to produce and preserve high-quality, affordable, and environmentally sustainable housing. The team consists of more than 70 people across the country, including leaders in finance, construction, and asset management. Standard Communities has closed over \$400 million in middle-income housing transactions, successfully converting 650 Class A, newly constructed apartments into high quality rent-restricted housing for cities across Southern California. Faring (<https://faring.com/>) is a local mixed-use developer active in the Los Angeles area.

As Project Administrator, Standard-Faring has selected Apartment Management Consultants ("AMC") to provide onsite property management. AMC manages 611 properties containing 107,837 units across 19 states. AMC manages over 160 properties in California. For more information on AMC, please visit the company website at <https://www.amcllc.net/about.asp#>. The Agency, as the property owner, retains the right to replace the property manager. Bond agreements require that at all times there is a property manager that has for the past five years managed at least 5,000 market rate and affordable units.

### **The Jefferson SoLA Project**

The Jefferson SoLA multi-family apartment complex was approved by the City in 2017 and is currently under construction, but nearly completed for occupancy. It will provide 244 units of housing ranging in size from 1-bedroom to 3-bedroom layouts. The Project has central air-conditioning, in-unit laundry, balconies, and individual parking stalls. In addition, the complex has an on-site pool, clubhouse, fitness center, dog wash and dog park to name a few of its amenities.



The developer and current owner of the Project (Clearwater Communities) is advertising “market rent” prices to prospective renters, although no leases have been signed because the Project does not have a temporary certificate of occupancy. If any leases are signed or tenants have moved in prior to the proposed acquisition and conversion by the Agency, then those tenants will be allowed to continue at market rate rents and the units will be converted to income- and rent-restricted units when they move out. With other prior conversions of fully tenanted buildings into Middle-Income Housing, JPAs and Project Administrators have estimated it will take three years for market rate units to turnover.

While completing the project and marketing units to new renters, Clearwater has also been soliciting buyers for the entire development, a strategy it has used in several of its past projects elsewhere. City staff understands that among the interested buyers are parties who intend to keep the project at market rate, as well as at least one party that is also proposing a Middle-Income Housing Program with a different JPA (CalCHA). However, according to Standard-Faring, they have an executed Letter of Intent to purchase from Clearwater with a deadline to close by December 1, 2021.

## **ANALYSIS:**

### **Estimate of Foregone Property Tax**

According to the Los Angeles County Auditor Controller’s most recent report of property taxes for the specific tax rate area of the subject property, the City’s General Fund share of the property tax levy is approximately 6.15%. The Project is nearly ready to receive its certificate of occupancy in the coming weeks, and the anticipated purchase price, according to Standard-Faring, is about \$135 million. Based on these figures, if the property were to be taxable, the City’s General Fund would receive about \$83,000 in the first year after acquisition of the Project. Future growth in assessed value would be capped at 2% annually pursuant to Proposition 13. After fifteen years, when the City can first request a sale of the Project, the cumulative foregone property tax revenue would be over \$1.4 million (or \$1.1 million in 2021 present value dollars at a 3% discount rate). Over 35 years, the period within which the Agency will be repaying acquisition bonds, the City’s cumulative foregone property tax revenue would be approximately \$4.2 million (or \$2.4 million in 2021 present value dollars).

### **Projection of Potential Future Net Surplus Proceeds to the City**

As part of the Public Benefit Agreement to be executed between the City and Agency, during a term that is at least 15 years after issuance of the acquisition bonds (Year 15), through Year 35, the City can exercise a right to cause the Agency to sell the Project to the City or its designee for the amount of all outstanding debt, plus any amounts due to the Agency and others. This right to purchase allows the City to control the asset and retain the equity value of the Project. If the City has not exercised the right to purchase before all Project debt is retired, the Agency shall sell the Project within 90 days at a commercially reasonable price. The Agency has agreed to provide annual notices commencing in Year 14 to remind the City of its sale rights.

Following a sale, the Agency shall apply sales proceeds to prepay, redeem, or defease all outstanding Project debt, pay any fees, amounts due to the Agency, and transaction costs. The remaining funds ("Surplus Proceeds") shall be transferred to the City and, under the terms of the PBA, the City agrees to share the Surplus Proceeds, in its sole discretion, with the other taxing agencies in the County as partial or full reimbursement for foregone property tax revenues. The City would retain any Surplus Proceeds in excess of distributions to cover all foregone property tax revenues.

According to projections prepared by Standard-Faring (Attachments E and F), which assumes both rental income and expenses grow at an annual rate of 3%, Surplus Proceeds from a future sale are projected to be more than \$72 million by Year 15, or \$374 million by Year 35. After reimbursements to the other taxing entities for cumulative foregone property taxes, the City would be projected to receive about \$50 million by Year 15, or \$311 million by Year 35.

However, the City's consultant, RSG Inc., used more conservative projections of future Project value, citing that long term revenue growth will be limited by the increase in AMI for Los Angeles County, which has averaged approximately 2% in annual growth over the past twenty years. In contrast to Standard-Faring's projection, RSG estimates future sale values of \$44 million by Year 15, or \$250 million by Year 35. After reimbursements to the other taxing entities for foregone property taxes, the City would be projected to receive about \$22 million by Year 15, or \$186 million by Year 35. In 2021 present value dollars, this would be \$14 million in Year 15, or \$66 million in Year 35.

It should be noted that both the Standard-Faring and RSG projections reflect a value based on the assumption that the income- and rent-restrictions would continue beyond the period that the Agency would own the Project. The City can accomplish this by executing a new regulatory agreement upon conveyance and recording it against the property.

As shown in Table 1, despite the loss of property taxes due to the property being tax-exempt, the City would still receive a positive net fiscal benefit between \$13 million and \$64 million (in present value 2021 dollars) depending on when the Project is resold in the future. The projected sale proceeds far exceed the projected cumulative foregone property tax.

**Table 1: Fiscal Impact Summary**

<b><u>If Project Sold in Year 15</u></b>	<b><u>In 2021 Dollars*</u></b>		
	<b><u>(Present Value)</u></b>	<b><u>Year 1</u></b>	<b><u>Year 1-15</u></b>
Foregone Property Tax	\$ (1,130,000)	\$ (83,000)	\$ (1,436,000)
Agency reimbursement	\$ 112,000	\$ 112,000	
Projected Net Surplus Proceeds	\$ 14,044,000		\$ 21,880,000
Projected Net Fiscal Impact	\$ 13,026,000		

<b><u>If Project Sold in Year 35</u></b>	<b><u>In 2021 Dollars*</u></b>		
	<b><u>(Present Value)</u></b>	<b><u>Year 1</u></b>	<b><u>Year 1-35</u></b>
Foregone Property Tax	\$ (2,402,000)	\$ (83,000)	\$ (4,151,000)
Agency reimbursement	\$ 112,000	\$ 112,000	
Projected Net Surplus Proceeds	\$ 66,230,000		\$ 186,361,000
Projected Net Fiscal Impact	\$ 63,940,000		

*\* based on a 3% discount rate for future years*

**Estimate of Agency Payment to South Gate**

As part of the financing and closing costs for the Jefferson SoLA transaction, the Agency will receive bond issuance fees calculated at 0.28% of the total bond proceeds. The Agency has agreed to share 25% of these bond issuance fees with the City, estimated at approximately \$112,000, which would be deposited in the General Fund and can be used for any lawful City purpose.

The Agency has also offered to donate another 25% of its bond issuance fees, estimated at \$112,000, to a foundation for the support of non-profit organizations that serve the City.

**Analysis of Project Income Limits and Rents Under Middle-Income Housing Program**

According to Standard-Faring, Clearwater Communities, the developer and current owner of Jefferson SoLA, is listing asking rents for the new units ranging from:

- 1-bedroom: \$2,331 to \$2,786
- 2-bedroom: \$2,931 to \$3,376
- 3-bedroom: \$3,691 to \$3,796

The Agency and Standard-Faring are proposing that the Jefferson SoLA Project will have an allocation of income- and rent-restricted units as follows:

- 40% of the units for households below 80% AMI,
- 20% of units from 81% to 100% AMI, and
- 40% of units from 101% to 120% AMI.

The respective qualifying income limits and initial maximum rents for the Project's units would be as follows:

**Table 2: Project Income Limits**

	Household size	80% AMI	100% AMI	120% AMI
1-bedroom	2 person	\$75,680	\$94,600	\$113,520
2-bedroom	3 person	\$85,120	\$106,400	\$127,680
3-bedroom	4 person	\$94,560	\$118,200	\$141,840

**Table 3: Project Initial Maximum Monthly Rents**

	Household size	80% AMI	100% AMI	120% AMI
1-bedroom	2 person	\$2,207	\$2,375	\$2,436
2-bedroom	3 person	\$2,483	\$2,850	\$2,907
3-bedroom	4 person	\$2,758	\$3,175	\$3,235

The proposed initial and ongoing maximum rents are set at no more than 35% of the income limits for each unit size and income category. The proposed initial rents at the 120% AMI category are actually set to below 28% of the income limits. Annual rent increases for all income-qualifying households would be capped at no more than 4%, which is greater protection than under AB 1482, the recently adopted State tenant protection legislation, which limits rent increases to 5% plus CPI.

As indicated in Attachment G, Standard-Faring shows that the Project rents will range from 23% to 8% below the current owner's asking rents and are about 13% below on average. Using those per unit rent differences, multiplied by the distribution of units across the three income limits, Standard-Faring calculated the total annual "rental savings" to be more than \$1 million annually in the first year compared to the current owner's asking rents. This rental savings amount will only grow over time because Project rent increases will be limited to 4% per year (and no greater than 35% of the income limits) while market rate rents can increase at whatever rate the market commands.

It should be noted that the Middle-Income Program rents are still significantly greater than overall average asking rents for all existing units in the South Gate market, according to CoStar Analytics, which indicates the following average rents:

- 1-bedroom: \$1,463
- 2-bedroom: \$1,942
- 3-bedroom: \$2,058

However, in contrast to the overall existing South Gate rental market, the Project would be restricting rents on brand new units with greater amenities than are generally available elsewhere in South Gate.

### **Joint Exercise of Powers Agreement and Public Benefit Agreement**

For the Agency to be granted the authority to serve as the issuer of the bonds for the Project, it is necessary for the City to become a member of the CMFA Special Finance Agency. The Joint Exercise of Powers Agreement provides that the Agency is a public entity, separate and apart from each member executing such agreement. The debts, liabilities and obligations of the Agency do not constitute debts, liabilities or obligations of the members executing such agreement.

The bonds to be issued by the Agency for the Project will be the sole responsibility of the Agency, and the City will have no financial or legal obligation, liability, or responsibility for the Project or the repayment of the bonds for the financing of the Project. All financing documents with respect to the issuance of bonds will contain clear disclaimers that the bonds are not obligations of the City or the State of California, but are to be paid for solely from funds provided by the Agency as the Project owner and borrower.

When the Project is acquired by the Agency, the Agency and City would execute a Public Benefit Agreement. Under the terms of the PBA, if the Project generates surplus cash flow or surplus proceeds from a sale, the City will receive a portion of the surplus revenue, which could well exceed the cumulative loss of property tax revenue. Under the PBA, the City, at its sole discretion, may force a sale of the Project between Year 15 and Year 35 of the bonds, and the City, along with certain other taxing agencies (including the County and School District) would receive a portion of the net sale proceeds.

### **Timing**

Standard-Faring has a time limitation placed upon them by the current owners to close on the purchase/sale by December 1, 2021. Due to the impending Thanksgiving holidays, staff is presenting this matter for your consideration so that, if authorized, the transaction can still move forward in a timely fashion.

- ATTACHMENTS:**
- A. Proposed Resolution
  - B. Joint Exercise of Powers Agreement
  - C. Regulatory Agreement and Declaration of Restrictive Covenants
  - D. Public Benefit Agreement
  - E. Project Summary (Standard-Faring)
  - F. Projected Project Proforma (Standard-Faring)

RESOLUTION NO. \_\_\_\_\_

CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, APPROVING, AUTHORIZING AND DIRECTING EXECUTION OF A JOINT EXERCISE OF POWERS AGREEMENT RELATING TO THE CMFA SPECIAL FINANCE AGENCY AND THE FORM OF A PUBLIC BENEFIT AGREEMENT, AND APPROVING THE ISSUANCE OF REVENUE BONDS BY SAID AGENCY FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION OR IMPROVEMENT OF THE PROJECT LISTED HEREIN**

**WHEREAS**, pursuant to Section 6500 et. seq. of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), the City of South Gate (the "City") and the California Municipal Finance Authority (the "CMFA" and together with the City, the "Members") propose to enter into a Joint Exercise of Powers Agreement relating to the CMFA Special Finance Agency (the "Agency") in order to form the CMFA Special Finance Agency (the "Agency") for the purpose of promoting economic, cultural and community development and in order to exercise any powers common to the Members or granted by the Act, including by the issuance of bonds, notes or other evidences of indebtedness;

**WHEREAS**, the City has determined that it is in the public interest and for the public benefit that the City become a Member of the Agency in order to facilitate the promotion of economic, cultural and community development activities in the City, including the financing of projects therefore by the Agency;

**WHEREAS**, the Agreement has been filed with the City, and the members of the City Council of the City (the "City Council"), with the assistance of its staff, have reviewed said document;

**WHEREAS**, the Agency is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the construction, acquisition, and rehabilitation of capital projects;

**WHEREAS**, among projects that may be financed by the Agency, the Agency proposes to issue from time-to-time its governmental purpose revenue bonds (the "Bonds") to finance the acquisition, construction, development, and certain related costs of a 244-unit middle-income multifamily rental housing development within the City located at 10930 Garfield Avenue (Assessor Parcel No. 6234-005-014), known as "Jefferson SoLA" (the "Project");

**WHEREAS**, the Agency proposes to grant to the City in connection with the financing of the Project the right to cause the Agency to sell the Project to the City or its designee, starting upon the date fifteen (15) years from the issuance of the Bonds pursuant to a Public Benefit Agreement (the "Public Benefit Agreement"), by and between the Agency and the City, substantially in the

form that has been filed with the City Council, subject to such immaterial modifications as have been approved by the City Manager and approved as to form by the City Attorney;

**WHEREAS**, it is in the public's interest and for the public benefit that the City Council approve the issuance of the Bonds by the Agency for the aforesaid purposes; and

**WHEREAS**, Section 3(A) of the Agreement, in accordance with Section 6508.1 of the California Government Code, expressly provides that the Bonds, and other debts, liabilities and obligations of the Agency do not constitute debts, liabilities or obligations of any Members.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council does hereby declare that the above recitals are true and correct and are incorporated herein by this reference.

**SECTION 2.** The City hereby requests to become a Member of the Agency. The Agreement is hereby approved and the Mayor or the designee thereof is hereby authorized and directed to execute said document, and the City Clerk or such Clerk's designee is hereby authorized and directed to attest thereto.

**SECTION 3.** The proposed form of Public Benefit Agreement on file with the City Council is hereby approved. In connection with the Project, the City Manager or the designee thereof is hereby authorized and directed to execute an agreement in substantially said form, with such immaterial changes therein as such officer executing the same may require consistent with this Resolution and its basic purpose, and subject to the approval as to form of the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof. Any material changes to the form of Public Benefit Agreement must be approved by the City Council. The City Council hereby approves the issuance of Bonds by the Agency from time-to-time prior to the date that is the two-year anniversary of the date hereof.

**SECTION 4.** The issuance of Bonds shall be subject to the approval of the Agency of all financing documents relating thereto to which the Agency is a party. Pursuant to Section 3(A) of the Agreement and Section 13(C) of the Public Benefit Agreement, the City shall have no responsibility or liability whatsoever with respect to the Bonds or any other debts, liabilities and obligations issued by the Agency, and such Bonds and any other debts, liabilities and obligations of the Agency do not constitute debts, liabilities or obligations of any Members including the City.

**SECTION 5.** The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, construction, rehabilitation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Agency; or (iv) except as provided in this Resolution, take any further action with respect to the Agency or its membership therein.

**SECTION 6.** The executing officers(s), the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents, and

certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

**SECTION 7.** The City Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to the Agency:

Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Ronald E. Lee, Esq.

**SECTION 8.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** on this 9<sup>th</sup> day of **November 2021**.

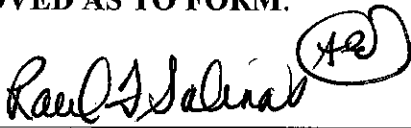
**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Al Rios, Mayor

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:   
Raul F. Salinas, City Attorney

**JOINT EXERCISE OF POWERS AGREEMENT  
RELATING TO THE CMFA SPECIAL FINANCE AGENCY**

THIS AGREEMENT, dated as of October 1, 2021, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the "Members" and those parties initially executing this Agreement are referred to as the "Charter Members");

**WITNESSETH**

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a "public agency" as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means; and

WHEREAS, each Member is also empowered by law to acquire, construct, improve, operate and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, as specified in this Agreement, and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute bonds, notes, commercial paper or any other evidences of indebtedness, leases, installment sale or other financing agreements, obligations or certificates of participation therein (each and all herein referred to as "Bonds"), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue Bonds pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and



WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects of any nature, including, but not limited to, middle income housing projects and other capital or working capital projects, purchase or acquisition of property, improvements, leases, contracts, receivables, commodities, bonds, other revenue streams or assets of any kind, liability or other insurance, or retirement programs, or facilitating Members use of existing or new financial instruments and mechanisms; and

WHEREAS, by this Agreement, each Member desires to create and establish the "CMFA Special Finance Agency" for the purposes set forth herein and to exercise the powers provided herein;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

**Section 1. Purpose.**

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Exercise of Powers Act or any other applicable law, including, but not limited to, the issuance of Bonds for any purpose or activity permitted under the Joint Exercise of Powers Act or any other law. Such purpose will be accomplished and said power exercised in the manner hereinafter set forth.

**Section 2. Term.**

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Bonds issued or caused to be issued by the Agency (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement, resolution or other instrument pursuant to which such Bonds are issued.

**Section 3. Authority.**

**A. CREATION AND POWERS OF AUTHORITY.**

There is hereby created pursuant to the Joint Exercise of Powers Act a joint exercise of powers authority and public entity to be known as the "CMFA Special Finance Agency." As provided in the Joint Exercise of Powers Act, the Agency shall be a public entity separate and apart from the Members. The Bonds or any other debts, liabilities and obligations of the Agency shall not constitute debts, liabilities or obligations of any Member, and Bonds issued by the Agency shall be non-recourse to the Agency except only as and to the extent moneys or other assets are pledged by the Agency to the Bonds by the indenture, trust agreement, resolution or other instrument pursuant to which such Bonds are issued. Notwithstanding any other provision of this Agreement, the Agency shall not have the power to incur any debt, liability or obligation that is not subject to the preceding sentence and shall not have the power to and shall not enter into any retirement contract with any public retirement system (as defined in Section 6508.2 of the Joint Exercise of Powers Act) for any reason. The provision in this paragraph is intended to

benefit Members and to be a confirming irrevocable obligation of the Agency which may be enforced by Members individually or collectively.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Agency will cause a notice of this Agreement or amendment to be prepared and filed with the office of the Secretary of State of the State in the manner set forth in Section 6503.5 of the Joint Exercise of Powers Act. Such notice shall also be filed with the office of the Finance Director of the State.

The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein.

#### B. BOARD.

The Agency shall be administered by the Board of Directors (the "Board," or the "Directors" and each a "Director") consisting of, ex officio, the board of directors of the California Municipal Finance Authority (the "CMFA"). Any alternate members of the board of directors of the CMFA shall be, ex officio, alternate members of the Board, and may act as a member of the Board on the same terms as such alternate member may act as a voting member of the board of directors of the CMFA. The term of office as a member of the Board shall terminate when such member of the Board shall cease to hold his or her respective office as a regular or alternate member of the board of directors of the CMFA, and the successor to such member of the board of directors of CMFA shall become a member of the Board, upon assuming such office.

Members of the Board shall not receive any compensation for serving as such but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

Notwithstanding the preceding two paragraphs, the Board may by resolution or bylaws provide for changes in the qualifications, composition and number of directors on the Board, the appointment of successors, their respective terms of office and any other provisions relating to the qualification and office of the Board.

#### C. OFFICERS; DUTIES; OFFICIAL BONDS.

The officers of the Agency shall be the Chair, Vice Chair, Executive Director, Secretary and Treasurer, and one or more Assistant Secretaries and Assistant Treasurers. The Chair, Vice Chair, Executive Director, Secretary, Treasurer, Assistant Secretaries and Assistant Treasurers of the CMFA, respectively, shall be such officers of the Agency, ex officio.

The Chair of the Agency shall be the chair of the board of directors of the CMFA, ex officio. The term of office of the Chair shall be the same as the term of the chair of the board of directors of the CMFA. The Chair shall preside at all meetings of the Agency and shall submit such information and recommendations to the Board as he or she may consider proper concerning the business, policies and affairs of the Agency.

The Vice Chair shall be the vice chair of the board of directors of the CMFA, ex

officio. The term of office of the Vice Chair shall be the same as the term of the vice chair of the board of directors of the CMFA. The Vice Chair shall perform the duties of the Chair in the absence or incapacity of the Chair. In case of the absence, unavailability, resignation or death of the Chair, the Vice Chair shall perform such duties as are imposed on the Chair, until such time as a new Chair is selected or appointed.

The executive director of the CMFA is hereby designated as the Executive Director of the Agency, ex officio, and shall be responsible for execution and supervision of the affairs of the Agency. Except as otherwise authorized by resolution of the Board, any member of the Board, the Executive Director or any designee thereof shall sign all contracts, deeds and other instruments executed by the Agency.

The secretary of the CMFA is hereby designated as the Secretary of the Agency, ex officio. The Secretary shall keep the records of the Agency, shall act as Secretary at the meetings of the Agency and record all votes, and shall keep a record of the proceedings of the Agency in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to the office.

The treasurer of the CMFA is hereby designated, ex officio, as the Treasurer of the Agency.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Bonds (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, and except as may otherwise be specified by resolution of the Board, the Treasurer is designated as the depository of the Agency to have custody of all money of the Agency, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Agency is designated as the public officer or person who has charge of, handles, or has access to any property of the Agency, and such officer shall file an official bond with the Secretary of the Agency in the amount specified by resolution of the Board but in no event less than \$1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Agency and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Agency.

#### D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph

M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Agency shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors present at the meeting, except that less than a quorum may adjourn a meeting to another time and place.

**E. RULES AND REGULATIONS.**

The Agency may adopt, from time to time, by resolution of the Board such bylaws, policies or rules and regulations for the conduct of its meetings and affairs as may be required. In the absence of such a resolution, the conflict of interest code, investment policy, and debt management policy of CMFA shall be the conflict of interest code, investment policy and debt management policy of the Agency, to the extent required or permitted by law to be adopted by the Agency.

**Section 4. Powers.**

The Agency shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for any purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Agency is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter

into contracts; to employ agents and employees; to acquire, construct, improve, own, maintain and operate, or provide for maintenance and operation, and sell, lease, pledge, assign, mortgage or otherwise dispose, of any property, improvements, commodities, leases, contracts, receivables, bonds or other revenue streams or assets of any kind; to exercise the power of condemnation; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to establish and collect fees; to form public benefit nonprofit corporations or other affiliate entities to accomplish any of its purposes; to make grants, loans or provide other financial assistance to governmental, nonprofit and for profit organizations to accomplish any of its purposes; and generally to do any and all things necessary or convenient to accomplish its purposes. The boundaries of the Agency shall encompass the boundaries of all the Members and the powers of the Agency may be exercised anywhere within those boundaries or to the extent permitted by the laws of the State of California, including, but not limited to the Joint Exercise of Powers Act, outside of those boundaries, which may be outside of the State of California, provided that the power of condemnation may only be exercised within the jurisdictional boundaries of the Charter Members.

Without limiting the generality of the foregoing, the Agency may issue or cause to be issued Bonds, and pledge any property or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law; provided, however, the Agency shall not issue Bonds with respect to any project located in the jurisdiction of one or more Members unless the governing body of any such Member, or its duly authorized representative, shall approve, conditionally or unconditionally, the project, including the issuance of Bonds therefor. Such approval may be evidenced by resolution, certificate, order, report or such other means of written approval of such project as may be selected by the Member (or its authorized representative) whose approval is required. No such approval shall be required in connection with Bonds that refund Bonds previously issued by the Agency and approved by the governing board of a Member.

The manner in which the Agency shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California city could exercise such powers and perform such duties. The manner in which the Agency shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

**Section 5. Fiscal Year.**

For the purposes of this Agreement, the term "Fiscal Year" shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2022.

**Section 6. Disposition of Assets.**

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Agency, all property of the Agency both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

**Section 7. Bonds.**

From time to time the Agency shall issue Bonds, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its purposes under this Agreement.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing or refinancing or on post-issuance compliance or administration may be used by the Agency. The expenses of the Board shall be paid from the proceeds of the Bonds, payments made by Bond obligors or other third parties, project revenues, or any other unencumbered funds of the Agency available for such purpose.

**Section 8. Bonds Only Limited and Special Obligations of Agency.**

The Bonds, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Agency. The Bonds shall be only special obligations of the Agency, and the Agency shall under no circumstances be obligated to pay the Bonds except from revenues and other funds pledged therefor. Neither the Members nor the Agency shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto or related to any project or program financed or refinanced with Bonds, except the Agency from the assets, revenues and funds pledged and available therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Agency shall be pledged to the payment of the principal of, premium, if any, or interest on the Bonds, or any costs related thereto or to any project or program financed or refinanced thereby, nor shall the Members or the Agency in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Bond or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Agency in his or her individual capacity, and neither the Board of the Agency nor any Director or officer thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds or by reason of any project or program financed or refinanced with Bonds.

**Section 9. Accounts and Reports.**

All funds of the Agency shall be strictly accounted for. The Agency shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Bonds). The books and records of the Agency shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Agency shall cause an independent audit to be made of the books of accounts and financial records of the Agency by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law,

the Agency may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Agency. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Charter Members which report shall describe the amount of money held by the Treasurer for the Agency, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Agency and shall be a charge against any unencumbered funds of the Agency available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

**Section 10. Funds.**

Subject to the applicable provisions of any Indenture, which may provide for a trustee or other fiduciary to receive, have custody of and disburse Agency funds, the Treasurer of the Agency shall receive, have the custody of and disburse Agency funds pursuant to the accounting procedures developed under Sections 3C and 9, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions of purposes of this Agreement.

**Section 11. Notices.**

Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk of the governing body of each Member; provided that, to the extent permitted by law, the Agency may provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

**Section 12. Additional Members/Withdrawal of Members.**

Qualifying public agencies may be added as parties to this Agreement and become Charter Members upon: (1) the filing by such public agency with the Agency of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Charter Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

Qualifying public agencies may also be added as non-Charter Members ("Additional Members") of the Agency upon: (1) the filing by such public agency with the Agency of a resolution of the governing body of such public agency requesting to be added as an Additional Member of the Agency, and (2) adoption of a resolution of the Board approving the addition of such public agency as an Additional Member. An Additional Member may limit in the aforementioned resolution the scope of its Additional Membership to what is necessary or appropriate to facilitate the financing or refinancing of one or more specified projects or programs.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that (i) at least one Member shall be a Charter Member, (ii) no such withdrawal shall result in the dissolution of the Agency so long as any Bonds remain outstanding and (iii) no such withdrawal shall cause the loss of the property tax exemption of any project owned by the Agency. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board, which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

### **Section 13. Indemnification.**

To the full extent permitted by law, the Board may authorize indemnification by the Agency of any person who is or was a Director or an officer, employee or other agent of the Agency, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Director or an officer, employee or other agent of the Agency, against expenses, including attorneys' fees, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith in a manner such person reasonably believed to be in the best interests of the Agency and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Agency, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. The Board may purchase a policy or policies of insurance in furtherance of any indemnification obligation created or otherwise in protection of Directors, officers, employees or other agents.

### **Section 14. Contributions and Advances.**

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Agency by the Members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Agency and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Agency to provide for the costs and expenses of administration of the Agency, even though any Member may do so. The Members understand and agree that a portion of the funds of the Agency that otherwise may be allocated or distributed to the Members and the funds of the Agency constituting fee or other revenues with respect to Bonds or Projects may instead be used to make grants, loans or provide other financial assistance to governmental units and to nonprofit organizations to accomplish any of the governmental unit's or nonprofit organization's purposes.



**Section 15. Immunities.**

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Agency while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

None of the officers, agents or employees, if any, directly employed or engaged by the Agency shall be deemed, by reason of their employment or engagement by the Agency, to be employed or engaged by any Member or, by reason of their employment or engagement by the Agency, to be subject to any of the requirements of any Member.

**Section 16. Amendments.**

Except as provided in Sections 3B and 12 above, this Agreement shall not be amended, modified, or altered, unless the written consent of each of the Charter Members is obtained; provided that no amendment shall materially adversely affect the interests of any Additional Member unless the negative consent of that Additional Member is also obtained. To obtain the negative consent of each such Additional Member, the following negative consent procedure shall be followed: (a) the Agency shall provide each such Additional Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Agency shall provide each such Additional Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no such Additional Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

**Section 17. Effectiveness.**

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Charter Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Charter Member approving this Agreement and the execution and delivery hereof.

**Section 18. Partial Invalidity.**

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

**Section 19. Successors.**

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

**Section 20. Miscellaneous.**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement, including its recitals which are incorporated herein, is the complete and exclusive statement of the agreement among the Members, which supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their duly authorized representatives as of the day and year first above written.

**Member:**

**California Municipal Finance Authority**

By \_\_\_\_\_  
Name: Edward J. Becker  
Title: Executive Director

**Member:**

**City of South Gate**

By \_\_\_\_\_  
Name: Al Rios  
Title: Mayor

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Raul F. Salinas, City Attorney

**RECORDING REQUESTED  
AND WHEN RECORDED MAIL TO:**

Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Josh D. Anzel, Esq.

**THIS SPACE IS FOR RECORDERS USE ONLY**

**REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS**

**(Title of Document)**

*Per Government Code 27388.1 (a)(1) "A fee of \$75 dollars shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel or real property. The fee shall not exceed two hundred twenty-five dollars (\$225)"*

Reason for Exemption:

- Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

**Failure to include an exemption reason will result in the imposition of the \$75.00 Building Homes and Job Act Fee.**

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:  
Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Josh D. Anzel, Esq.

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**REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS**

**By and Between**

**CMFA SPECIAL FINANCE AGENCY**

**and**

**WILMINGTON TRUST, NATIONAL ASSOCIATION,  
as Trustee**

**Dated as of \_\_\_\_\_ 1, 2022**

**Relating to**

**CMFA Special Finance Agency  
Essential Housing Revenue Bonds, Series 2022A-1  
(Jefferson SoLA)**

**CMFA Special Finance Agency  
Essential Housing Revenue Bonds, Series 2022A-2  
(Jefferson SoLA)**

**and**

**CMFA Special Finance Agency  
Subordinate Essential Housing Revenue Bonds, Series 2022B  
(Jefferson SoLA)**

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**REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS**

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (as supplemented and amended from time to time, this "Regulatory Agreement") is made and entered into as of \_\_\_\_\_ 1, 2022, by and between the CMFA SPECIAL FINANCE AGENCY, a joint exercise of powers authority duly organized and existing under the laws of the State of California, as issuer of the Bonds (as further defined herein) and as owner of the Project identified herein (together with any successor to its rights, duties and obligations hereunder, the "Owner"), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, as trustee (together with its successors in trust and assigns, the "Trustee").

WITNESSETH:

WHEREAS, pursuant to Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act"), the Owner proposes to issue its Essential Housing Revenue Bonds, Series 2022A-1 (Jefferson SoLA) (the "Series 2022A-1 Bonds"), Essential Housing Revenue Bonds, Series 2022A-2 (Jefferson SoLA) (together with the Series 2022A-1 Bonds, the "Series A Bonds"), and Subordinate Essential Housing Revenue Bonds, Series 2022B (Jefferson SoLA) (together with the Series A Bonds, the "Bonds") pursuant to a Trust Indenture, dated as of \_\_\_\_\_ 1, 2022 (as supplemented and amended from time to time, the "Indenture"), between the Owner and the Trustee;

WHEREAS, a portion of the proceeds of the Bonds will be used to provide, in part, financing for the acquisition of the 244-unit multifamily rental housing project known as Jefferson SoLA, located on the real property site described in Exhibit A hereto (as further described herein, the "Project");

WHEREAS, to satisfy the public purposes for which the Bonds are authorized to be issued under the Act, and in furtherance of certain specific public purposes of the Owner, previously approved by the Owner's Resolution No. 21-\_\_\_\_\_, which include supporting, preserving and providing low income, median income and moderate income multifamily rental housing in areas in which demand for such housing is not currently being adequately met, certain limits on the occupancy of units in the Project need to be established and certain other requirements need to be met;

NOW, THEREFORE, in consideration of the issuance of the Bonds by the Owner and the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner and the Trustee hereby agree as follows:

Section 1. Definitions and Interpretation. Unless the context otherwise requires, the capitalized terms used herein shall have the respective meanings assigned to them in the recitals hereto, in this Section 1, or in the Master Glossary of Terms, dated as of \_\_\_\_\_ 1, 2022.

"Administrator" means any administrator or program monitor appointed by the Owner to administer this Regulatory Agreement, and any successor administrator appointed by the Owner.

"Area" means the Metropolitan Statistical Area or County, as applicable, in which the Project is located, as defined by HUD.

"Bonds" has the meaning given to it in the recitals hereto.

“Certificate of Continuing Program Compliance” means the Certificate to be filed by the Owner with the Administrator, pursuant to Section 4(e) hereof, which shall be substantially in the form attached as Exhibit C hereto or in such other comparable form as may be provided by the Owner.

“City” means the City of South Gate, California.

“Closing Date” means \_\_\_\_\_, 2022, the date the Bonds are issued and delivered to the initial purchaser thereof.

“Compliance Period” means the period beginning on the Closing Date and ending on the first date on which there are no Bonds Outstanding.

“County” means the County of Los Angeles, California.

“Deed of Trust” means the Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Filing dated as of the Closing Date, by the Owner granting a lien on its fee simple interest in the Property, subject to Permitted Encumbrances, to the Trustee for the benefit of the holders from time to time of the Bonds, as the same may be modified, amended or supplemented from time to time, or any deed of trust (or similar security instrument) containing a power of sale clause reflecting a valid, perfected first priority lien on the fee interest in the Project delivered by the Owner to secure the Owner’s obligations to a third-party lender.

“Gross Income” means the gross income of a person (together with the gross income of all persons who reside with such person in one residential unit) as calculated in the manner prescribed by Section 8 of the Housing Act.

“Housing Act” means the United States Housing Act of 1937, as amended, or its successor.

“HUD” means the United States Department of Housing and Urban Development.

“Income Certification” means a Tenant Income Certification and a Tenant Income Certification Questionnaire in the form attached as Exhibit B hereto or in such other comparable form as may be provided by the Owner.

“Low Income Tenant” means a tenant occupying a Low Income Unit.

“Low Income Unit” means any available unit if the aggregate Gross Income of all tenants therein does not exceed eighty percent (80%) of median gross income for the Area, with adjustments for family size. The determination of an available unit’s status as a Low Income Unit shall be made by the Owner upon commencement of each lease term with respect to such unit, and annually thereafter, on the basis of an Income Certification executed by each tenant.

“Management Agreement” means that certain Property Management Agreement, dated as of the date hereof, by and among the Owner and the Manager.

“Manager” means \_\_\_\_\_, and any other Person who is an assignee of the initial Management Agreement.

“Median Income Tenant” means a tenant occupying a Median Income Unit.



"Median Income Unit" means any available unit if the aggregate Gross Income of all tenants therein does not exceed one hundred percent (100%) of median gross income for the Area, with adjustments for family size. The determination of an available unit's status as a Median Income Unit shall be made by the Owner upon commencement of each lease term with respect to such unit, and annually thereafter, on the basis of an Income Certification executed by each tenant.

"Moderate Income Tenant" means (i) a tenant occupying a Moderate Income Unit or (ii) an Over Income Tenant if such tenant occupied an available unit on the effective date of this Regulatory Agreement.

"Moderate Income Unit" means any available unit if the aggregate Gross Income of all tenants therein does not exceed one hundred and twenty percent (120%) of median gross income for the Area, with adjustments for family size. The determination of an available unit's status as a Moderate Income Unit shall be made by the Owner upon commencement of each lease term with respect to such unit, and annually thereafter, on the basis of an Income Certification executed by each tenant.

"Over Income Tenant" means a tenant occupying an Over Income Unit.

"Over Income Unit" means any occupied unit in which the aggregate gross income of all tenants therein exceeds one hundred twenty percent (120%) of median gross income for the Area, with adjustments for family size.

"Project" means the 244-unit multifamily rental housing development to be located in the City on the real property site described in Exhibit A hereto, consisting of those facilities, including real property, structures, buildings, fixtures or equipment situated thereon, as it may at any time exist, the acquisition of which facilities is to be financed, in whole or in part, from the proceeds of the sale of the Bonds, and any real property, structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of the facilities described in the Deed of Trust.

"Regulations" means the Income Tax Regulations of the Department of the Treasury applicable under the Code from time to time.

"Regulatory Agreement" means this Regulatory Agreement and Declaration of Restrictive Covenants, as it may be supplemented and amended from time to time.

"Rental Payments" means the rental payments paid by the occupant of a unit, excluding any supplemental rental assistance to the occupant from the State, the federal government, or any other public agency.

"Tax-Exempt" means with respect to interest on any obligations of a state or local government, including the Bonds, that such interest is excluded from gross income for State of California personal income and federal income tax purposes; provided, however, that such interest may be includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

"TCAC" means the California Tax Credit Allocation Committee.

"Transfer" means the conveyance, assignment, sale or other disposition of all or any portion of the Project; and shall also include, without limitation to the foregoing, the following: (1) an

installment sales agreement wherein Owner agrees to sell the Project or any part thereof for a price to be paid in installments; and (2) an agreement by the Owner leasing all or a substantial part of the Project to one or more persons or entities pursuant to a single or related transactions.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of any gender shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

The parties to this Regulatory Agreement acknowledge that each party and their respective counsel have participated in the drafting and revision of this Regulatory Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Regulatory Agreement or any supplement or exhibit hereto.

Section 2. Representations, Covenants and Warranties of the Owner.

(a) The Owner hereby incorporates herein, as if set forth in full herein, each of the representations, covenants and warranties of the Owner contained in the Tax Certificate and the Indenture relating to the Project.

(b) The Owner hereby represents and warrants that the Project is located entirely within the City.

(c) The Owner acknowledges, represents and warrants that it understands the nature and structure of the transactions contemplated by this Regulatory Agreement; that it is familiar with the provisions of all of the documents and instruments relating to the Bonds to which it is a party or of which it is a beneficiary; that it understands the financial and legal risks inherent in such transactions.

Section 3. Residential Rental Project. For the term of this Regulatory Agreement, the Owner hereby represents, covenants, warrants and agrees as follows:

(a) The Project will be owned and operated for the purpose of providing multifamily residential rental property. The Owner will own, and cause the Project to be managed and operated, as a project to provide multifamily residential rental property comprised of a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, in accordance with such requirements as may be imposed thereby on the Project from time to time. The Owner shall cause the Project to be maintained in a good, habitable and safe (so as to not threaten the health or safety of the Project's tenants or their invited guests) condition and repair (reasonable wear and tear excepted) and shall create and fund a Capital Expense Fund and shall cause Capital Repairs to be made on an annual basis during the Compliance Period. Capital Repairs shall include, without limitation, the following: carpet and drape replacement; appliance replacement; exterior painting, including exterior trim; hot water heater replacement; plumbing fixtures

replacement, including tubs and showers, toilets, lavatories, sinks, faucets; air conditioning and heating replacement; asphalt repair and replacement, and seal coating; roofing repair and replacement; landscape tree replacement; irrigation pipe and controls replacement; sewer line replacement; water line replacement; gas line pipe replacement; lighting fixture replacement; elevator replacement and upgrade work; miscellaneous motors and blowers; common area furniture replacement; and common area and exterior repainting.

(b) Except as otherwise approved by the Owner, all of the dwelling units in the Project (except for the units set aside for resident managers or other administrative uses) will be similarly constructed units, and each dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the dwelling units in the Project will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park; provided that the use of certain units for tenant guests on an intermittent basis shall not be considered transient use for purposes of this Regulatory Agreement. Owner shall not rent dwelling units for a term of 30 days or less, and shall use commercially reasonable efforts to inform residents that short-term rentals of 30 days or less are prohibited.

(d) No part of the Project will at any time during the Compliance Period be owned by a cooperative housing corporation, nor shall the Owner take any steps in connection with a conversion to such ownership or use, and the Owner will not take any steps in connection with a conversion of the Project to condominium ownership during the Compliance Period.

(e) All of the available units in the Project will be available for rental during the period beginning on the date hereof and ending on the termination of the Compliance Period on a continuous basis.

Section 4. Tenants; Income Requirements. The Owner shall comply, or shall cause the Manager to comply, with the following requirements:

(a) During the Compliance Period, except for units occupied by residential managers, for which no income or rent restrictions shall apply, the Owner shall use its best efforts to ensure that the following income restrictions are met at all times:

(i) no less than forty percent (40%) of the completed residential units in the Project shall be Low Income Units;

(ii) no less than twenty percent (20%) of the completed residential units in the Project shall be Median Income Units; and

(iii) the balance of the completed residential units in the Project shall be Moderate Income Units;

provided, that any unit remaining vacant for at least forty-five (45) consecutive days may be offered and leased as a Low Income Unit, Median Income Unit or Moderate Income Unit without regard for the requirements set forth in sub-paragraphs (i), (ii) and (iii) above. For the avoidance of doubt, any vacant unit shall only be offered as a Low Income Unit, Median Income Unit or Moderate Income Unit.

(b) No tenant shall be denied continued occupancy of a unit in the Project because, after admission, the aggregate Gross Income of all tenants in the unit occupied by such tenant increases to exceed the qualifying limit for the respective Low Income Unit, Median Income Unit or Moderate Income Unit initially occupied by such tenant. However, if after a tenant's initial occupancy of a Low Income Unit, Median Income Unit or Moderate Income Unit, as applicable, the aggregate Gross Income of tenants in such unit, as of the most recent determination thereof, exceeds that which is defined for such unit occupied by the same number of tenants, the next available unit of comparable or smaller size shall, subject to the discretion of the Owner and Manager as described in the next succeeding paragraph, be rented (or held vacant and available for immediate occupancy by) in a manner that would maintain the unit mix required by Section 4(a) hereof. For the avoidance of doubt, this Section 4(b) shall apply to existing tenants occupying the Project on the Closing Date.

Notwithstanding any provision of this Regulatory Agreement to the contrary, the Owner shall verify, or cause the Manager to verify, all tenant incomes at least annually and shall continually re-balance the mix of household incomes by leasing vacant units to Low Income Tenants, Median Income Tenants or Moderate Income Tenants as needed to meet the income set-aside requirements set forth in this Section 4(a).

(c) For the Compliance Period, the Owner shall cause the Manager to obtain, complete and maintain on file Income Certifications for each tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such tenant in the unit and a second Income Certification dated one year after the tenant's initial move-in date, and (ii) thereafter, an annual verifiable self-certification with respect to each tenant. The Owner shall, or shall cause the Manager to, provide such additional information as may be required in the future by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to Tax-Exempt obligations. Upon request of the Administrator or the Trustee, copies of Income Certifications for tenants commencing or continuing occupation of a residential unit shall be submitted to the Administrator or the Trustee, as requested.

(d) The Owner shall cause the Manager to verify that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain pay stubs for the three most recent pay periods, (2) obtain an income tax return for the most recent tax year, (3) obtain a credit report or conduct a similar type credit search, (4) obtain an income verification from the applicant's current employer, (5) obtain an income verification from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, or (6) if the applicant is unemployed and does not have an income tax return, obtain another form of independent verification reasonably acceptable to the Owner.

(e) The Owner shall prepare and submit or cause the Manager to prepare and submit to the Administrator not less than annually, commencing not less than one year after the Closing Date, a Certificate of Continuing Program Compliance executed by the Owner in substantially the form attached hereto as Exhibit C.

(f) For the Compliance Period, all tenant leases or rental agreements shall be subordinate to this Regulatory Agreement and the Deed of Trust. All leases shall contain clauses, among others, wherein each tenant: (i) certifies the accuracy of the statements made by such tenant in the Income Certification; (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such tenant, that such tenant will comply promptly with all requests for information with respect thereto from the Owner or the

Administrator on behalf of the Owner, and that the failure to provide accurate information in the Income Certification or self-certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such tenant; (iii) acknowledges that the Owner has relied on the statements made by such tenant in the Income Certification and supporting information supplied by the tenant in determining qualification for occupancy of a Low Income Unit, Median Income Unit or Moderate Income Unit, as applicable, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement; and (iv) agrees that the tenant's income is subject to annual certification in accordance with Section 4(c) and that if upon any such certification the aggregate Gross Income of tenants in such unit exceeds the applicable income limit under Section 4(b), the unit occupied by such tenant may cease to qualify as a Low Income Unit, Median Income Unit or Moderate Income Unit, as applicable, and such unit's rent may be subject to increase.

(g) In reviewing and considering applications from prospective tenants, the Owner shall provide a preference to households which include one or more persons who live, work, or have been hired to work in the City, have graduated from a City high school, are employed by a public school district in the City, and/or are employed as a first responder.

Section 5. Affordable Rental Requirements; Limitations on Rent Increases; Rent Reductions. During the Compliance Period, except for units occupied by residential managers, for which no income or rent restrictions shall apply, in addition to the other requirements set forth herein, the Owner hereby agrees that it shall comply, or cause the Manager to comply, with the following:

(a) The Rental Payments for the Low Income Units paid by the tenants thereof shall not exceed 35% of the Low Income limit for the County, adjusted for household size, as published annually by HUD and utilized by TCAC.

(b) The Rental Payments for the Median Income Units paid by the tenants thereof shall not exceed 35% of the Median Income limit for the County, adjusted for household size, as published annually by HUD and utilized by TCAC.

(c) The Rental Payments for the Moderate Income Units paid by the tenants thereof shall not exceed 35% of the Moderate Income limit for the County, adjusted for household size, as published annually by HUD and utilized by TCAC.

(d) The Owner shall accept as tenants, on the same basis as all other prospective tenants, qualified low-income persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the Housing Act.

For purposes of this Section 5, base rents shall be adjusted for household size using the following assumptions:

Unit Size	Assumed Occupancy
studio	1
one-bedroom	2
two-bedroom	3
three-bedroom	4
four-bedroom	5

(e) The following limitations shall apply to annual rent increases for households occupying available units in the Project:

(i) For a household qualifying as a Low Income Unit, a Median Income Unit, or a Moderate Income Unit, as applicable, but for which annual rent payable is lower than the applicable limit set forth in paragraph (a), (b) or (c) above, respectively, rent shall not be increased more than 4% annually and then only up to the applicable limit set forth in such paragraphs above.

(ii) For a household qualifying as a Low Income Unit, a Median Income Unit, or a Moderate Income Unit, as applicable, but for which annual rent payable exceeds the applicable limit set forth in paragraph (a), (b) or (c) above, respectively, rent shall be decreased as soon as practicable to the applicable limit set forth in such paragraphs above.

Except as set forth in Section 13 hereof, the covenants and conditions of this Regulatory Agreement shall be binding upon successors in interest of the Owner.

Section 6. Tax-Exempt Status of Bonds. The Owner hereby represents, warrants and agrees as follows:

(a) The Owner will not knowingly take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the Tax-Exempt nature of the interest on the Bonds and, if it should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(b) The Owner will file of record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Owner, in order to ensure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Regulatory Agreement in the real property records of the County.

Section 7. Requirements of the Owner. In addition to other requirements set forth herein and to the extent not prohibited by the requirements set forth in Sections 4 through 6 hereof, the Owner hereby agrees to comply with each of the requirements set forth in this Section 7, as follows:

(a) All tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Owner and shall be maintained in a reasonable condition for proper audit.

(b) The Owner shall appoint the Administrator to administer this Regulatory Agreement and to monitor performance by the Owner of the terms, provisions and requirements hereof. In the event that the Administrator resigns or is terminated, the Owner shall, following consultation with the City, appoint a successor Administrator, experienced and capable, in the judgment of the Owner, of performing the duties under the Project Administration Agreement. The Owner shall comply with any reasonable request made by the Administrator to deliver to any such Administrator any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection by the Administrator. The fees and expenses of the Administrator shall be paid by the Owner.

Section 8. Modification of Covenants. The Owner and the Trustee hereby agree as follows:

(a) To the extent any amendments to the Act, the Regulations or the Code shall, in the written opinion of Bond Counsel filed with the Trustee and the Owner, retroactively impose

requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement, and if such requirements are applicable to the Project and compliance therewith is necessary to maintain the validity of, or the Tax-Exempt status of interest on the Bonds, this Regulatory Agreement shall be deemed to be automatically amended to impose such additional or more restrictive requirements.

(b) The Owner and the Trustee shall execute, deliver and, if applicable, file of record any and all documents and instruments necessary to effectuate the intent of this Section 8.

Section 9. Indemnification. The Owner and the Trustee will be indemnified as required by and pursuant to the Project Administration Agreement.

Section 10. Consideration. The Owner has agreed to issue the Bonds and to use the proceeds thereof to, among other things, finance the acquisition of the Project. In furtherance of the significant public benefits of the Project, the Owner has entered into this Regulatory Agreement and has agreed to restrict the uses to which this Project can be put on the terms and conditions set forth herein.

Section 11. Reliance. The Owner and the Trustee hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons, including but not limited to the Administrator, interested in the legality and validity of the Bonds, in the exemption from California personal income taxation of interest on the Bonds and in the Tax-Exempt status of the interest on the Bonds. In performing their duties and obligations hereunder, the Owner and the Administrator may rely upon statements and certificates of the tenants, and upon audits of the books and records of the Owner pertaining to the Project. In addition, the Owner may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Owner hereunder in good faith and in conformity with such opinion.

Section 12. Transfer of the Project. For the Compliance Period, except as permitted by the Indenture or the Public Benefit Agreement, the Owner shall not Transfer the Project, in whole or in part, unless the following conditions are satisfied: (A) the receipt by the Owner and the Trustee of evidence acceptable to the Owner and the Trustee that (1) the Owner shall not be in default hereunder, if in effect (which may be evidenced by a Certificate of Continuing Program Compliance), or the transferee reasonably undertakes to cure any defaults of the Owner; (2) the continued operation of the Project shall comply with the provisions of this Regulatory Agreement; (3) all rights, responsibilities and duties of the transferor under the Project Administration Agreement shall have been assigned to the transferee, or the transferee shall enter into a new project administration agreement in the form of the current Project Administration Agreement; and (4) the person or entity that is to acquire the Project does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation, and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; (B) the execution by the transferee of any document reasonably requested by the Owner with respect to the assumption of the Owner's obligations under this Regulatory Agreement, including without limitation an instrument of assumption hereof and thereof, and delivery to the Owner of an opinion of such transferee's counsel to the effect that each such document and this Regulatory Agreement are valid, binding and enforceable obligations of such transferee, subject to bankruptcy and other standard limitations affecting creditor's rights; (C) receipt by the Owner of an opinion of Bond Counsel to the effect that any such Transfer will not adversely affect the Tax-Exempt status of interest on the Bonds; (D) receipt by the Owner of all fees and/or expenses then currently due and payable to the Owner.

It is hereby expressly stipulated and agreed that any Transfer of the Project in violation of this Section 12 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Regulatory Agreement. Nothing in this Section shall affect any provision of any other document or instrument between the Owner and any other party which requires the Owner to satisfy certain conditions or obtain the prior written consent of such other party in order to Transfer the Project. Upon any Transfer that complies with this Regulatory Agreement, the Owner shall be fully released from its obligations hereunder to the extent such obligations have been fully assumed in writing by the transferee of the Project.

The foregoing notwithstanding, the Project may be transferred pursuant to a foreclosure, exercise of power of sale or deed in lieu of foreclosure or comparable conversion under the Deed of Trust without the consent of the Owner or compliance with the provisions of this Section 12.

For the Compliance Period, the Owner shall not: (1) encumber any of the Project or grant commercial leases of any part thereof, or permit the conveyance, transfer or encumbrance of any part of the Project, except for (A) encumbrances permitted under the Deed of Trust, or (B) a Transfer in accordance with the terms of this Regulatory Agreement, in each case upon receipt by the Owner of an opinion of Bond Counsel to the effect that such action will not adversely affect the Tax-Exempt status of interest on the Bonds (provided that such opinion will not be required with respect to any encumbrance, lease or transfer relating to a commercial operation or ancillary facility that will be available for tenant use and is customary to the operation of multifamily housing developments similar to the Project); (2) demolish any part of the Project or substantially subtract from any real or personal property of the Project, except to the extent that what is demolished or removed is replaced with comparable property or such demolition or removal is otherwise permitted by the Deed of Trust; or (3) permit the use of the dwelling accommodations of the Project for any purpose except rental residences.

Section 13. Term. This Regulatory Agreement and all and several of the terms hereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the period provided herein and shall terminate as to any provision not otherwise provided with a specific termination date and shall terminate in its entirety at the end of the Compliance Period.

The terms of this Regulatory Agreement to the contrary notwithstanding, the requirements of this Regulatory Agreement shall terminate and be of no further force and effect in the event of involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire or other casualty, seizure, requisition, foreclosure or transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date, which prevents the Owner from enforcing such provisions, or condemnation or a similar event, but only if, within a reasonable period, either the Bonds are retired or amounts received as a consequence of such event are used to provide a project that meets the requirements hereof; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Owner hereby agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Owner nor any such related person as described above will obtain an ownership interest in the Project for federal tax purposes.

Notwithstanding any other provision of this Regulatory Agreement, this Regulatory Agreement may be terminated upon agreement by the Trustee and the Owner, upon receipt by the Owner of an opinion of Bond Counsel to the effect that such termination will not adversely affect the



exclusion from gross income of interest on the Bonds for federal income tax purposes. Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

Section 14. Covenants to Run With the Land. Notwithstanding Section 1461 of the California Civil Code, the Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Trustee and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Project; provided, however, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

Section 15. Burden and Benefit. The Trustee and the Owner hereby declare their understanding and intent that the burdens of the covenants set forth herein touch and concern the land in that the Owner's legal interest in the Project is rendered less valuable thereby. The Trustee and the Owner hereby further declare their understanding and intent that the benefits of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued.

Section 16. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use of the site on which the Project is located.

Section 17. Default; Enforcement. If the Owner defaults in the performance or observance of any covenant, agreement or obligation of the Owner set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after notice thereof shall have been given by the Manager, the Controlling Party or the Trustee to the Owner, or for a period of 60 days from the date the Owner should, with reasonable diligence, have discovered such default, then the Trustee shall declare an "Event of Default" to have occurred hereunder; provided, however, that if the default is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Owner institutes corrective action within said 60 days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Bond Counsel, the failure to cure said default within 60 days will not adversely affect the Tax-Exempt status of interest on the Bonds.

Following the declaration of an Event of Default hereunder, the Owner shall have the right, in its sole and absolute discretion, to replace the Manager and terminate the Property Management Agreement in accordance with its terms, and the Trustee, subject to the terms of the Indenture, may take any one or more of the following steps, in addition to all other remedies provided by law or equity:

(a) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things that may be unlawful or in violation of the rights of the Trustee hereunder;

(b) have access to and inspect, examine and make copies of all of the books and records of the Owner pertaining to the Project; and

(c) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder.

The Owner hereby agrees that specific enforcement of the Owner's agreements contained herein is the only means by which the Trustee may fully obtain the benefits of this Regulatory Agreement made by the Owner herein, and the Owner therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Owner hereunder.

The Trustee and the Owner hereby agree that cure of any Event of Default made or tendered by the Manager shall be deemed to be a cure by the Owner and shall be accepted or rejected on the same basis as if made or tendered by the Owner.

Section 18. [Reserved].

Section 19. Recording and Filing. (a) The Owner shall cause this Regulatory Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the County, and in such other places as the Owner may reasonably deem necessary. The Owner shall pay all fees and charges incurred in connection with any such recording.

(b) The Owner and the Trustee will file of record such other documents and take such other steps as are reasonably necessary, in the opinion of Bond Counsel, in order to ensure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project.

(c) The Owner hereby covenants to include or reference the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another person to the end that such transferee has notice of, and is bound by, such restrictions, and, except in the case of a foreclosure or comparable involuntary conversion of the Deed of Trust, whereby the Trustee becomes the owner of the Project, to obtain the agreement from any transferee to abide by all requirements and restrictions of this Regulatory Agreement.

Section 20. [Reserved].

Section 21. Governing Law; Venue. This Regulatory Agreement shall be construed in accordance with and governed by the laws of the State of California applicable to contracts made and performed in the State of California. This Regulatory Agreement shall be enforceable in the State of California, and any action arising hereunder shall (unless waived by the Owner in writing) be filed and maintained in the Superior Court of California, County of San Diego.

Section 22. Amendments; Waivers. Except as provided in Sections 8(a) hereof, this Regulatory Agreement may be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County, and only upon (i) receipt by the Owner of an opinion from Bond Counsel that such amendment will not adversely affect the Tax-Exempt status of interest on the Bonds and (ii) the written consent of the Controlling Party, who shall receive a copy of any such amendment.

(a) Anything to the contrary contained herein notwithstanding, the Trustee and the Owner hereby agree to amend this Regulatory Agreement to the extent required, in the opinion of Bond Counsel, in order that interest on the Bonds remains Tax-Exempt. The parties requesting such amendment shall notify the other parties to this Regulatory Agreement of the proposed amendment, with a copy of such proposed amendment to Bond Counsel and a request that Bond Counsel render to the Owner an opinion as to the effect of such proposed amendment upon the Tax-Exempt status of interest on the Bonds. This provision shall not be subject to any provision of any other agreement requiring any party hereto to obtain the consent of any other person in order to amend this Regulatory Agreement.

(b) Any waiver of, or consent to, any condition under this Regulatory Agreement must be expressly made in writing.

Section 23. Notices. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, overnight delivery, certified or registered mail, postage prepaid, return receipt requested, or by telecopy, in each case at the respective addresses specified in the Indenture, or at such other addresses as may be specified in writing by the parties hereto. Unless otherwise specified by the Administrator, the address of the Administrator is:

To Owner: CMFA Special Finance Agency  
2111 Palomar Airport Road, Suite 320  
Carlsbad, California 92011  
Attention: Financial Advisor  
Email: jstoecker@cmfa-ca.com

With a copy to each of: Standard Property Company, Inc.  
c/o Standard Communities  
31899 Del Obispo Street, Suite 150  
San Juan Capistrano, CA 92675  
Attn: Bradley C. Martinson, Esq.  
Telephone: (949) 301-9383  
Email: bmartinson@standard-companies.com

Rutan & Tucker, LLP  
18575 Jamboree Rd., Suite 900  
Irvine, CA 92612  
Attn: Bryan A. Wilbert, Esq.  
Telephone: (714) 662-4654  
Email: bwilbert@rutan.com

City of South Gate  
8650 California Avenue  
South Gate, CA 90280  
Attention: City Manager

The Administrator and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notice shall be deemed given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission; provided that any telecopy or other electronic transmission received by any party after 4:00 p.m., local time of the receiving party, as evidenced by

the time shown on such transmission, shall be deemed to have been received the following Business Day.

Section 24. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 25. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 26. Limitation on Liability. Notwithstanding the foregoing or any other provision or obligation to the contrary contained in this Regulatory Agreement, the liability of the Owner under this Regulatory Agreement to any person or entity, including, but not limited to, the Trustee or the Controlling Party and their successors and assigns, is limited to moneys available therefor under and in accordance with the Indenture.

Section 27. Annual Reporting Covenant. No later than January 31 of each calendar year (commencing January 31, 2023), the Owner agrees to provide to the California Debt and Investment Advisory Commission, by any method approved by the California Debt and Investment Advisory Commission, the annual report information required by Section 8855(k)(1) of the California Government Code. This covenant shall remain in effect until the later of the date (i) the Bonds are no longer outstanding or (ii) the proceeds of the Bonds have been fully spent.

IN WITNESS WHEREOF, the Owner and the Trustee have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written.

CMFA SPECIAL FINANCE AGENCY

By: \_\_\_\_\_  
Name: Edward J. Becker  
Title: Executive Director

WILMINGTON TRUST, NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Name:  
Title:

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

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

STATE OF CALIFORNIA            )  
  )  
COUNTY OF \_\_\_\_\_        )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,

Personally appeared \_\_\_\_\_

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

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

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

STATE OF CALIFORNIA            )  
  )  
COUNTY OF \_\_\_\_\_        )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,

Personally appeared \_\_\_\_\_

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

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public



**EXHIBIT A**  
**DESCRIPTION OF REAL PROPERTY**

[TO COME]

**EXHIBIT B**

**FORM OF INCOME CERTIFICATION**

Effective Date:

Move-In Date:

Household Size:

Floorplan:

Unit:

**HOUSEHOLD COMPOSITION**

<i>Household Member</i>	<i>Name</i>	<i>Relationship</i>	<i>Birthdate</i>
1		Head	
2			
3			
4			
5			
6			
7			

**INCOME COMPOSITION (ANNUAL)**

<i>Household Member</i>	<i>Employment / Wages</i>	<i>Social Security / Pension</i>	<i>Public Assistance</i>	<i>Other Income</i>
1				
2				
3				
4				
5				
6				
7				
<b>TOTALS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>TOTAL INCOME</b>				<b>\$</b>

**EXHIBIT C**

**FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE**

Witnesseth that on this day of \_\_\_\_\_, 20\_\_\_, the undersigned, on behalf of the CMFA SPECIAL FINANCE AGENCY (the "Owner"), does hereby certify with respect to the multifamily rental housing development (the "Project") that:

1. During the preceding year (i) such Project was substantially and continually in compliance with the Regulatory Agreement and (ii) \_\_\_% of the units in the Project were occupied by Low Income Tenants, \_\_\_% of the units in the Project were occupied by Median Income Tenants \_\_\_% of the units in the Project were occupied by Moderate Income Tenants.

*Set forth below are the unit numbers of Low Income Tenants, Median Income Tenants and Moderate Income Tenants who commenced or terminated occupancy during the preceding month.*

Commenced Occupancy	Terminated Occupancy
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
10.	10.
11.	11.
12.	12.
13.	13.
14.	14.
15.	15.
16.	16.
17.	17.
18.	18.
19.	19.
20.	20.

*Additional units that have commenced or terminated occupancy may be found in an additional attached sheet*

2. The units occupied by Low Income Tenants, Median Income Tenants and Moderate Income Tenants are of similar size and quality to other units and are dispersed throughout the Project. Attached is a separate sheet listing the number of each unit and indicating which units are occupied by Low Income Tenants, Median Income Tenants and Moderate Income Tenants, the size, the number of bedrooms of such units and the number of Low Income Tenants, Median Income Tenants and Moderate Income Tenants who commenced occupancy of units during the preceding month.

The representations set forth herein are true and correct to the best of the undersigned's knowledge and belief.

Date: \_\_\_\_\_

Owner: \_\_\_\_\_

**RECORDING REQUESTED  
AND WHEN RECORDED MAIL TO:**

475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Josh D. Anzel

**THIS SPACE IS FOR RECORDERS USE ONLY**

**PUBLIC BENEFIT AGREEMENT**

**(Title of Document)**

*Per Government Code 27388.1 (a)(1) "A fee of \$75 dollars shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel or real property. The fee shall not exceed two hundred twenty-five dollars (\$225)"*

Reason for Exemption:

- Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

**Failure to include an exemption reason will result in the imposition of the \$75.00 Building Homes and Job Act Fee.**

RECORDING REQUESTED BY  
CMFA Special Finance Agency

WHEN RECORDED RETURN TO:  
Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Josh D. Anzel

---

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383  
OF THE CALIFORNIA GOVERNMENT CODE

**PUBLIC BENEFIT AGREEMENT**

By and Between

**CMFA SPECIAL FINANCE AGENCY**

and

**CITY OF SOUTH GATE**

\_\_\_\_\_  
Dated as of \_\_\_\_\_ 1, 2022

\_\_\_\_\_  
Relating to

**CMFA SPECIAL FINANCE AGENCY  
ESSENTIAL HOUSING REVENUE BONDS, SERIES 2022A-1  
(JEFFERSON SOLA)**

**CMFA SPECIAL FINANCE AGENCY  
ESSENTIAL HOUSING REVENUE BONDS, SERIES 2022A-2  
(JEFFERSON SOLA)**

and

**CMFA SPECIAL FINANCE AGENCY  
SUBORDINATE ESSENTIAL HOUSING REVENUE BONDS, SERIES 2022B  
(JEFFERSON SOLA)**

## **PUBLIC BENEFIT AGREEMENT**

This PUBLIC BENEFIT AGREEMENT ("*Agreement*") is dated as of \_\_\_\_\_ 1, 2022, by and between the CMFA SPECIAL FINANCE AGENCY, a joint exercise of powers agency organized and existing under the laws of the State of California (including its successors and assigns, "*Owner*"), and the CITY OF SOUTH GATE, a California municipal corporation ("*Host*").

### **BACKGROUND**

**WHEREAS**, the Owner proposes to issue Bonds (as hereinafter defined) to finance Owner's acquisition of the certain multifamily rental housing projects (collectively, the "*Project*") located at 10930 Garfield Avenue, in the City of South Gate, California, located on the real property site described in Exhibit A hereto; and

**WHEREAS**, the Owner has executed a Regulatory Agreement and Declaration of Restrictive Covenants between Owner and Wilmington Trust, National Association, dated concurrently and recorded in the official records of the County of Los Angeles, California (the "*County*"), which imposes requirements upon the Project with respect to maximum income levels of tenants, maximum rents payable by tenants, maintenance of the Project in accordance with industry standards, and certain other matters, and Host is entering into this Agreement in reliance on Owner's compliance with such requirements; and

**WHEREAS**, the Owner intends to sell the Project at the instigation of the Host or upon the retirement of all Project Debt (as defined herein) pursuant to this Agreement.

### **AGREEMENT**

In consideration of the mutual covenants herein contained, and such other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Owner and Host mutually agree as follows:

**Section 1. Right to Cause Sale.** Host shall have the right to cause ("*Sale Right*") the Owner to sell the Property (as herein defined) to Host or Host's designee upon payment by the Purchaser (as herein defined) of the Sale Price (as herein provided) within the Sale Right Term (as herein defined) and in compliance with and observance of all of the terms and conditions of this Agreement.

**Section 2. Definitions.** Capitalized terms used in this Agreement shall have the meanings assigned to them in this Section 2; capitalized terms used in this Agreement and not defined in this Section 2 or elsewhere herein shall have the meanings assigned to them in the Indenture (herein defined).

(a) "*Bonds*" – collectively, (i) the CMFA Special Finance Agency Essential Housing Revenue Bonds, Series 2022A-1 (Jefferson SoLA), (ii) the CMFA Special Finance Agency Essential Housing Revenue Bonds, Series 2022A-2 (Jefferson SoLA), and (iii) the CMFA Special Finance Agency Subordinate Essential Housing Revenue Bonds, Series 2022B (Jefferson SoLA) (the "*Series B Bonds*"), with such other series and sub-series designations as may be set forth in the Indenture, originally issued to finance Owner's acquisition of the Project and related transaction costs. The original principal amount of the Series B Bonds shall not exceed \$5,000,000.

(b) "Bond Trustee" – Wilmington Trust, National Association, or any successor trustee under the Indenture.

(c) "Closing" – shall have the meaning set forth in Section 8 hereof.

(d) "Conveyance" – that transaction or series of transactions by which Owner shall transfer, bargain, sell and convey any and all right, title or interest in and to the Property.

(e) "Exercise Notice" – shall have the meaning set forth in Section 4(a) hereof.

(f) "Extraordinary Costs and Expenses" – shall have the meaning set forth in the Indenture.

(g) "Host Indemnified Person" – the Host and each of its officers, governing members, directors, officials, employees, attorneys, agents and members.

(h) "Indenture" – the Trust Indenture between Owner, as issuer, and the Bond Trustee, as trustee, pursuant to which the Bonds were issued.

(i) "Minimum Sale Price" – means the lowest price at which the Property may be sold, as described in Section 4(c) hereof.

(j) "Outstanding" – with respect to Bonds, as of any given date, all Bonds which have been authenticated and delivered by the Trustee under the Indenture, except: (i) Bonds cancelled at or prior to such date or delivered to or acquired by the Trustee at or prior to such date for cancellation; (ii) Bonds deemed to be paid in accordance with Article IX of the Indenture; and (iii) Bonds in lieu of which other Bonds have been authenticated under the Indenture.

(k) "Owner Indemnified Person" – the Owner and each of its officers, governing members, directors, officials, employees, attorneys, agents and members.

(l) "Project Administrator" – Standard Property Company Inc., and its successors and assigns.

(m) "Project Debt" – any debt secured by the Project and incurred to finance or refinance Owner's acquisition of the Project and related transaction costs, including any portion of the Bonds and any bonds, notes or other indebtedness issued by Owner to improve the Project or to refund the Bonds in whole or in part.

(n) "Property" – means all of Owner's right, title and interest (which includes fee simple title to the real property) in and to all property and assets used in or otherwise related to the operation of the Project including, without limitation, all real property and interests in real property, all tangible and intangible personal property including furniture, fixtures, equipment, supplies, intellectual property, licenses, permits, approvals, and contractual rights of any kind or nature together with the right to own and carry on the business and operations of the Project.

(o) "Purchaser" – means the purchaser of the Property in a sale thereof.

(p) "Regulatory Agreement" – means the Regulatory Agreement and Declaration of Restrictive Covenants by and between the Owner and the Bond Trustee, relating to the Bonds.



(q) "Sale Price" – purchase price of the Property to be paid by the Purchaser upon sale of the Property by the Owner pursuant to the Sale Right in compliance with Section 4 hereof or sale by the Owner pursuant to Section 5 hereof.

(r) "Sale Right" – means the right of the Host to cause the Owner to sell the Property pursuant to Section 1 hereof.

(s) "Sale Right Exercise Date" – the date fifteen (15) years from the issuance of the Bonds.

(t) "Sale Right Term" – shall commence on the Sale Right Exercise Date and, if not exercised, shall terminate at 11:59 p.m. local time on the date that is the earlier of: (i) twenty (20) years from the Sale Right Exercise Date or (ii) the date on which no Project Debt remains Outstanding.

(u) "Transaction Costs" – to the extent not otherwise described herein, any costs or expenses of any kind or nature associated with or incurred by Owner and Bond Trustee in connection with the consummation of the Conveyance, regardless of whether such costs and expenses are customarily borne by the seller or purchaser in any such transaction, including but not limited to taxes, recording fees and other impositions, Owner's and Bond Trustee's legal and other professional fees, fees for verification agents, bidding agents, escrow agents, custodians or trustees, assumption fees, prepayment fees, the cost of the appraisal, brokers' fees and expenses, surveys, inspections, title commitments, title insurance premiums and other title-related fees, and all amounts required for indemnification of Owner, Trustee and Project Administrator.

**Section 3. Effectiveness; Term and Termination.** The Sale Right shall become effective on the Sale Right Exercise Date and may be exercised during the Sale Right Term. Owner agrees that it will not enter into any agreement to sell all or any part of the Property during the Sale Right Term other than as may be required by the Indenture (e.g., in the event of default), without the specific written request of the Host and delivery of an Opinion of Bond Counsel to the Owner substantially to the effect that such sale will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

**Section 4. Exercise of Sale Right.**

(a) Host's Notice. To exercise the Sale Right, Host shall provide a notice (an "Exercise Notice") to Owner (with a copy to the Project Administrator) at any time during the Sale Right Term.

(b) Owner's Best Efforts to Sell. Unless Host notifies Owner in writing that it is withdrawing its Exercise Notice within fifteen (15) business days of delivering the Exercise Notice under Section 4(a) hereof, Owner shall exercise its best efforts to enter into a purchase agreement for the sale of the Property in accordance with Section 7(d) and to sell and convey good and marketable title to the Property to Host or its designee within ninety (90) days following receipt of the Exercise Notice, or as soon as possible thereafter, in accordance with the purchase agreement, but only if it can sell at or above the Minimum Sale Price. The obligation of the Owner to enter into the purchase agreement for the sale and conveyance of the Property to Host or its designee shall be on a best efforts basis. The Owner shall endeavor to sell the Property at a commercially reasonable price, subject to subsection (c) of this Section, by such means as the parties to the purchase agreement shall determine to be suitable for such purpose; provided that

Owner shall incur no liability to any party as a result of or otherwise in connection with the sale or failure to sell. Subject to subsection (c), nothing herein shall require or prevent Owner selling the Property subject to the restrictions set forth in the Regulatory Agreement. The Owner shall direct the Bond Trustee in the foregoing as and to the extent necessary or appropriate.

(c) Sale Price. The Sale Price shall be at least equal to the sum of the amounts set forth below (net of any adjustments or prorations of the type described in Section 8(b)) (the "Minimum Sale Price");

- i. an amount sufficient to either prepay, redeem in whole or fully defease for redemption on the earliest call date all Project Debt; plus
- ii. any fees or other amounts not identified in clause (i) that may be necessary to effect the complete release from and discharge of any lien, mortgage or other encumbrance on the Property; plus
- iii. any amounts due to Owner (including the Owner Indemnified Persons, as provided in the Indenture), the Bond Trustee or any predecessor or successor, or any other Person under any indenture, loan agreement, bond, note or other instrument relating to any Project Debt (including, without limitation, indemnification amounts, Owner's Extraordinary Costs and Expenses, recurrent and extraordinary fees and expenses, and reimbursable costs and expenses of any kind or nature); plus
- iv. Transaction Costs; minus
- v. Any funds held by or for Owner under the Indenture applied to the retirement of Project Debt. Owner may retain such portion of moneys in the Extraordinary Expense Fund or similar fund under the Indenture it deems reasonable as a reserve against future expected costs and expenses of the type described in subparagraph (iii). Owner's determination of this amount shall be final and incontestable.

(d) Annual Notices to Host. On or before each anniversary of the issue date of the Bonds (the "Closing Date"), commencing with the 14th such anniversary, the Owner shall provide or cause to be provided to Host a notice stating the date on which the Sale Right Term will commence and enclosing or attaching a copy of this Agreement. Such notice shall be given as provided in Section 14 of this Agreement.

(e) Additional Project Debt. The Owner shall not incur any additional Project Debt in a principal amount in excess of \$500,000 without the prior written approval of the city manager or the finance director of the Host, not to be unreasonably withheld, except (i) new Project Debt to fund capital repairs or improvements deemed necessary in the reasonable discretion of the Owner to protect or promote the health, welfare or safety of the residents of the Project and surrounding areas, and/or (ii) Project Debt to refinance existing Project Debt, provided such refinancing results in net debt service savings in each year the new Project Debt is proposed to be outstanding.

**Section 5. Mandatory Conveyance**. Upon the retirement of all Project Debt, the Owner shall use its best efforts to effect a Conveyance within one hundred twenty (120) days thereafter, subject to Section 4(c) hereof. Owner shall give notice to Host of its intent to convey the Property,

and Host (or its designee) shall have the first right to acquire the Property by delivery of an Exercise Notice to Owner within sixty (60) days after receipt of Owner's notice. Nothing herein shall require or prevent Owner selling the Property subject to the restrictions set forth in the Regulatory Agreement.

**Section 6. Surplus Cash; Surplus Conveyance Proceeds.** Upon a Conveyance of the Property, Owner shall apply the proceeds of such Conveyance (i) to redeem the Bonds then Outstanding, (ii) to prepay, redeem in whole or fully defease any other Project Debt, and (iii) to pay any fees or other amounts listed in Section 4(c)(ii) – (iv). Any proceeds remaining following the foregoing payments (such remaining amounts hereinafter referred to as "Surplus Conveyance Proceeds") shall be transferred to Host, and Host shall share such Surplus Conveyance Proceeds with the other taxing agencies in the County in proportion to, and no greater than, the amount of any foregone property tax revenue (not otherwise reimbursed by the State), without accrued interest, and calculated in Host's sole discretion.

**Section 7. Terms of Conveyance.**

(a) The Conveyance shall be in the nature of a grant deed to Purchaser in which Owner shall deliver one or more deeds, bills of sale, or other instruments of transfer without recourse or warranty of any kind or nature.

(b) The Property will be conveyed to Purchaser in AS IS CONDITION, WITH ALL FAULTS, and without representations or warranties of any kind or nature as to the condition of the Property, except as may otherwise be set forth in the purchase agreement.

(c) There shall be no partial transfer and that, upon consummation of the Conveyance, Owner shall be fully divested of any and all right, title or interest in and to the Property.

(d) Upon Host's delivery of the Exercise Notice, Owner shall deliver to Purchaser a purchase agreement for the Property, and the parties shall negotiate in good faith towards a mutually satisfactory purchase agreement form and substance satisfactory to Owner and Purchaser and their counsel subject to the terms and conditions of this Agreement. The purchase agreement shall permit Purchaser to conduct physical inspections of the Property and conduct due diligence related to the purchase of the Property, including without limitation its value and physical and environmental condition, and shall provide Purchaser a due diligence approval period of not less than sixty (60) days after the date of the purchase agreement. The purchase agreement shall provide for Owner to deliver to Purchaser copies of all plans, studies, records, reports, governmental notices and approvals, and other written materials related to the use, occupancy or condition of the Property that Owner has in its possession, including without limitation environmental, structural, mechanical, engineering and land surveys. Purchaser shall provide Owner with comments to the form of purchase agreement within fifteen (15) business days of its receipt thereof, and Owner and Purchaser shall use good faith efforts to negotiate, draft and execute a mutually acceptable purchase agreement as soon as practicable thereafter. The purchase agreement shall provide for closing for the conveyance to Purchaser of good and marketable title to the Property at the Sales Price within the time set forth in Section 8(a) hereof.

(e) Upon the termination of the Regulatory Agreement, nothing in the Regulatory Agreement or this Agreement shall limit, restrain or prohibit in any manner the imposition by the Host of income and rental restrictions that are more restrictive, less restrictive or as restrictive as

the requirements in the Regulatory Agreement. The Host may accomplish such new restrictions by causing a new regulatory agreement to be executed by the owner of the property and recording such new regulatory agreement against the property, or in any manner the Host chooses in its sole discretion.

**Section 8. Closing.**

(a) The closing of the Conveyance ("Closing") shall take place, in the case of a Conveyance pursuant to Section 4 hereof, not later than the ninetieth (90th) calendar day following the Owner's receipt of the Exercise Notice, or as soon as possible thereafter, and in the case of a mandatory conveyance pursuant to Section 5 hereof, not later than the ninetieth (90th) calendar day following the retirement of all Project Debt, or as soon as possible thereafter.

(b) All general and special real property taxes and assessments, and rents shall be prorated as of the Closing, with Purchaser responsible for all such items to the extent arising or due at any time following the closing. General real property taxes shall be prorated at the time of Closing based on the net general real property taxes for the year of Closing.

**Section 9. Recording.** This Agreement, and any amendment thereto, shall be recorded with the recorder's office of the County; *provided*, that upon termination of the term of this Agreement, Host shall cooperate with Owner to remove any such recorded Agreement or amendment thereto from title to the Property upon Owner's reasonable request therefor and, in any event, by no later than thirty (30) days after the expiration of the original term of this Agreement.

**Section 10. Subordination.** This Agreement shall be subordinate to any claim, pledge or interest in the Property securing the Bonds or any Project Debt.

**Section 11. [Reserved]**

**Section 12. Assignment.** Neither party to this Agreement shall assign its interests, obligations, rights and/or responsibilities under this Agreement without the prior written consent of the other party, except as provided herein.

**Section 13. Limitation on Liability.**

(a) The Owner and Host shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Agreement or any sale or Conveyance or failure or price thereof or application of proceeds thereof, except only as to moneys available therefor under and in accordance with the Indenture or this Agreement.

(b) No Owner Indemnified Person or Host Indemnified Person shall be individually or personally liable for the payment of any sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Agreement, or by any proceedings for the sale or Conveyance or failure or price thereof, or Host's exercise or waiver of same, or otherwise except in the case of such Owner Indemnified Person's own willful misconduct.

(c) The Bonds will not be a debt, liability or obligation of Host but rather, solely indebtedness of the Owner, limited to the Trust Estate pledged and available therefor under the

Indenture. Under no circumstances shall Host be obligated to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, construction, rehabilitation or operation of the Project; or (iii) make any contribution or advance any funds whatsoever to the Owner.

**Section 14. Notices, Governing Law, Binding Effect and Other Miscellaneous Provisions.**

(a) Notices. All notices provided for in this Agreement shall be in writing and shall be given to Owner or Host at the address set forth below or at such other address as they individually may specify thereafter by written notice in accordance herewith:

If to Owner or:  
Designated Agent            CMFA Special Finance Agency  
   2111 Palomar Airport Road, Suite 320  
   Carlsbad, California 92011  
   Attention: Financial Advisor

With a copy to:                        Standard Property Company, Inc.  
   c/o Standard Communities  
   31899 Del Obispo Street, Suite 150  
   San Juan Capistrano, CA 92675  
   Attn: Bradley C. Martinson, Esq.  
   Telephone: (949) 301-9383  
   Email: bmartinson@standard-companies.com

If to Host:                                 City of South Gate  
   8650 California Avenue  
   South Gate, CA 90280  
   Attention: City Manager

With separate copies to         City Clerk, City Attorney and Director of  
each of:                                         Administrative Services at the same address  
   as the City Manager

Such notices shall be deemed effective upon actual delivery or upon the date that any such delivery was attempted and acceptance thereof was refused, or if mailed, certified return receipt requested, postage prepaid, properly addressed, three (3) days after posting.

(b) Consents and Approvals. All consents and approvals and waivers required or asserted hereunder shall be in writing, signed by the party from whom such consent, approval, waiver or notice is requested.

(c) Non-Liability of Host or Owner Officers and Employees. No officer or employee of the Host shall be personally liable to the Owner, or any successor in interest, in the event of any default or breach by Host of any obligation of the terms of this Agreement. No officer or employee of the Owner shall be personally liable to Host, or any successor in interest, in the event of any default or breach by Owner of any obligation of the terms of this Agreement.

(d) Pronouns. Where appropriate to the context, words of one gender include all genders, and the singular includes the plural and vice versa.

(e) Amendments. This Agreement may not be modified except in a written instrument signed by Host and Owner.

(f) Complete Agreement; Benefits. This Agreement together with all schedules and exhibits attached hereto and made part thereof supersedes all previous agreements, understandings and representations made by or between the parties hereto. This Agreement shall inure solely and exclusively to the benefit of the Owner and Host, and no other party shall have any right, remedy or claim under or by reason of this Agreement. For the avoidance of doubt, neither the County nor any other property taxing agency shall have any right, remedy or claim under or by reason of this Agreement, and there shall be no third-party beneficiaries of this Agreement, express or implied, whatsoever.

(g) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of law principles. All claims of whatever character arising out of this Agreement, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between Owner and any other party hereto, if and to the extent that such claim potentially could or actually does involve Owner, shall be filed and maintained in the Superior Court of California, County of San Diego, California. By executing and delivering this Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such court; (ii) waives any defense of forum non-conveniens; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by Owner of any prior notice or procedural requirements applicable to actions or claims against or involving governmental units and/or political subdivisions of the State of California that may exist at the time of and in connection with such matter.

(h) Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalid provision shall be deemed severable, and shall not affect the validity or enforceability of any other provisions of this Agreement, all of which shall remain fully enforceable.

(i) Term. This Agreement shall terminate upon the Conveyance.

(j) Captions. The captions used in this Agreement are solely for convenience and shall not be deemed to constitute a part of the substance of the Agreement for purpose of its construction.

(k) Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same Agreement.

(l) Regulatory Agreement. Owner shall not amend the Regulatory Agreement to increase the maximum income levels or maximum rents of the Affordable Units, or to revise the percentages of units to be rented as Low Income Units, Median Income Units and Moderate Income Units, without the prior written approval of Host, which approval shall not unreasonably be withheld.

(m) Joint Powers Agreement. So long as the Bonds (or any other Project Debt for the Property) remains outstanding, Host shall not withdraw as a member of Owner without first obtaining an opinion of counsel or counsels, nationally-recognized in the subject matter of the opinion, addressed to the bond trustee and the Owner, to the effect that such withdrawal, in and of itself, will not have a material adverse effect on (i) any tax-exempt status of interest on the Bonds or other Project Debt, (ii) any exemption from property tax for the Property, or (iii) the validity of the Bonds under state law.

(n) Multifamily Residential Rental Property. The Owner hereby represents, covenants, warrants and agrees as follows: for the term of the Regulatory Agreement, (i) the Project will be owned and operated for the purpose of providing multifamily residential rental property; and (ii) the Owner will own, and cause the Project to be managed and operated, as a project to provide multifamily residential rental property comprised of a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities.

(o) Insurance. Owner shall cause Host to be an additional insured on all insurance policies relating to the Project and shall provide Host with insurance certificates reflecting such insurance in a reasonable time upon Host's request, and within thirty (30) days of a material change in coverage or identity of the insurer.

**[SIGNATURE PAGE TO FOLLOW]**

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date set forth above.

**CMFA SPECIAL FINANCE AGENCY**

By: \_\_\_\_\_  
Edward J. Becker  
Executive Director

**CITY OF SOUTH GATE**

By: \_\_\_\_\_  
Al Rios  
Mayor

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Raul F. Salinas, City Attorney



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

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**EXHIBIT A**

**LEGAL DESCRIPTION OF REAL PROPERTY**

The Land referred to herein is situated in the State of California, County of Los Angeles, City of South Gate, and described as follows:

[TO COME]



# Essential Middle-Income Housing for South Gate

*Standard-Faring Essential Housing Group*

X

CMFA

## Project: Jefferson SoLA

### 244 units in South Gate

- > Brand new property - built in 2021
- > Mix of large 1BR, 2BR and 3BR units
- > Central A/C, in unit laundry, balconies, individual parking garages
- > Amenities including pool, clubhouse, fitness center, dog wash and dog park
- > Lease up is just starting – providing ample opportunity to fill this property with qualifying middle-income residents from the very beginning





## Unit Mix & Rental Savings

- The rent grid shows what converting Jefferson SoLA into an Essential Housing Project could look like in South Gate, using the following income mix:
  - 40% of units at <80% AMI
  - 20% of units at 81% - 100% AMI
  - 40% of units at 101% - 120%
- Residents will realize annual savings of approximately \$1,020,537 (12.03% savings), leaving more disposable income to be spent in support of local businesses

Unit Mix				Rent Comparison		
Unit Type	Unit Count	AMI	Sq. Ft.	Market Rents	Essential Housing Program Rents	Discount to Market
1 BR	51	<80%	634 - 986	\$2,382 - \$2,793	\$2,207	\$175 - \$586
1 BR	26	81% - 100%	634 - 986	\$2,382 - \$2,793	\$2,375	\$114 - \$168
1 BR	52	101% - 120%	634 - 986	\$2,382 - \$2,793	\$2,382 - \$2,436	\$114
2 BR	37	<80%	1,004 - 1,408	\$2,900 - \$3,425	\$2,483	\$417 - \$942
2 BR	18	81% - 100%	1,004 - 1,408	\$2,900 - \$3,425	\$2,850	\$50 - \$575
2 BR	36	101% - 120%	1,004 - 1,408	\$2,900 - \$3,425	\$2,900 - \$2,907	\$0 - \$518
3 BR	9	<80%	1,164 - 1,347	\$3,690 - 3,865	\$2,758	\$932 - \$1,107
3 BR	5	81% - 100%	1,164 - 1,347	\$3,690 - 3,865	\$3,175	\$515 - \$690
3 BR	10	101% - 120%	1,164 - 1,347	\$3,690 - 3,865	\$3,235	\$455 - \$630
<b>Total:</b>	<b>244 Units</b>					<b>\$1,020,537</b>

244 Units

**Project Sources and Uses**

<u>Uses of Funds</u>	<u>Total</u>
Project Purchase Price	\$ 135,000,000
Deposit to Capitalized Interest Account	3,870,720
Deposit to Capital Expense Fund	1,220,000
Deposit to Operating Reserve Fund	354,148
Deposit to Coverage Reserve Fund	5,050,000
Deposit to Senior Debt Service Reserve Fund	5,390,525
Deposit to Extraordinary Expense Fund	500,000
Deposit to Operating Account	350,000
Initial Payment to Project Administrator	2,000,000
	-
Cost of Issuance	3,542,709
Series 2021B Bond	5,000,000
<b>Total Uses of Funds</b>	<b>\$ 162,278,101</b>
 <u>Sources of Funds</u>	
A Bonds	\$ 154,015,000
Original Issue Premium	3,263,101
Series 2021B Bond	5,000,000
<b>Total Sources of Funds</b>	<b>\$ 162,278,101</b>

**Upfront Fees**

Project Administrator receives a \$2,000,000 developer fee.  
 As Owner of the Property, CMFA receives a net 0.14% Issuer fee on total Bond Proceeds.  
 At closing, South Gate will receive an estimated \$112,000 of CMFA's fee donated to their general fund.  
 At closing, CMFA will donate an additional estimated \$112,000 of CMFA's fee to a non-profit chosen at South Gate's discretion.

**Underwriting Assumptions**

<u>Financing Assumptions</u>		
A Bond Coupon		3.50%
A Bond Yield		3.40%
 <u>Economic Assumptions</u>		
	<u>Year 1</u>	<u>Stabilized Operations</u>
Occupancy	50.0%	95.0%
Bad Debt/Delinquency	0.7%	0.5%
AMI Growth Rate	3.0%	3.0%
Market Rent Growth Rate	3.0%	3.0%
Other Income Growth Rate	3.0%	3.0%
Expense Growth Rate	3.0%	3.0%

Jefferson SoLA  
Operating Proforma Cash Flow

Cash Flow Summary

	Yr 1 12/15/2022	Yr 2 12/15/2023	Yr 3 12/15/2024	Yr 4 12/15/2025	Yr 5 12/15/2026	Yr 6 12/15/2027	Yr 7 12/15/2028	Yr 8 12/15/2029	Yr 9 12/15/2030
Net Revenue	\$ 3,130,338	\$ 7,528,763	\$ 7,771,800	\$ 8,002,765	\$ 8,242,848	\$ 8,490,133	\$ 8,744,837	\$ 9,007,182	\$ 9,277,398
Total Expense	(1,201,077)	(1,461,429)	(1,505,701)	(1,550,817)	(1,597,342)	(1,645,262)	(1,694,620)	(1,745,459)	(1,797,822)
Gross Operating Profit (Total Net Revenues)	1,929,261	6,067,334	6,266,099	6,451,947	6,645,506	6,844,871	7,050,217	7,261,724	7,479,576
Other Administrative Expenses	(25,000)	(25,500)	(24,010)	(26,530)	(27,061)	(27,602)	(28,154)	(28,717)	(29,291)
Agency Administration Fee	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Capital Expense Requirement	(73,200)	(75,396)	(77,658)	(79,988)	(82,387)	(84,859)	(87,405)	(90,027)	(92,728)
Project Administrator Management Fee	(250,000)	(257,500)	(265,225)	(273,182)	(281,377)	(289,819)	(298,513)	(307,468)	(316,693)
Total Net Revenues Less Administrative Expenses and Fees	1,431,061	5,558,938	5,747,206	5,922,248	6,104,681	6,292,592	6,486,145	6,685,511	6,890,864
Income from Investment Earnings & Reserve Releases	88,744	88,744	88,744	89,170	91,212	93,387	92,823	5,099,413	49,419
Income from Operations & Investment Earnings	1,519,805	5,647,683	5,835,951	6,011,418	6,195,893	6,385,979	6,578,969	11,784,925	6,940,283
Senior Debt Service Payment	(1,519,805)	(5,390,525)	(5,390,525)	(5,388,950)	(5,381,250)	(5,366,900)	(5,345,375)	(5,316,325)	(5,104,050)
Funds Remaining for B Bond Payment	-	257,158	445,426	622,468	814,643	1,019,079	1,233,594	6,468,600	1,836,233
Subordinate Interest Payment	-	(257,158)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
Funds Available for A Bond Redemption	-	-	45,426	222,468	414,643	619,079	833,594	6,068,600	1,436,233
Senior Debt - Special Principal Redemption	-	-	(45,000)	(220,000)	(410,000)	(615,000)	(830,000)	(6,065,000)	(1,435,000)
Funds Available for B Bond Redemption	-	-	425.5	2,468	4,643	4,079	3,594	3,600	1,233
Subordinate Debt - Special Principal Redemption	-	-	-	-	-	-	-	-	-
Cash Flow After Bond Redemption	-	-	426	2,468	4,643	4,079	3,594	3,600	1,233
Remaining Cash Flow for Trailing Excess NOI	-	-	426	2,468	4,643	4,079	3,594	3,600	1,233
Estimated Foregone Tax Revenue (South Gate Portion)	83,056	84,717	86,411	88,139	89,902	91,700	93,534	95,405	97,313

Note: assumes South Gate receives 6.15% of general tax

Projected Sale Economics

Estimated Property Value
Less: Projected Closing Costs
Less: Cumulative Tax Loss
Less: Outstanding Bonds
Net Sale Proceeds to South Gate

Note: assumes 4.25% exit cap rate and 2% closing costs

Jefferson SoLA  
Operating Proforma Cash Flow

Cash Flow Summary

	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18
	12/15/2031	12/15/2032	12/15/2033	12/15/2034	12/15/2035	12/15/2036	12/15/2037	12/15/2038	12/15/2039
Net Revenue	\$ 9,365,720	\$ 9,842,391	\$ 10,137,663	\$ 10,441,793	\$ 10,755,047	\$ 11,077,698	\$ 11,410,029	\$ 11,752,330	\$ 12,104,900
Total Expense	(1,851,737)	(1,907,310)	(1,964,529)	(2,023,465)	(2,084,169)	(2,146,694)	(2,211,095)	(2,277,428)	(2,345,750)
Gross Operating Profit (Total Net Revenues)	7,703,963	7,935,082	8,173,134	8,418,328	8,670,878	8,931,004	9,198,934	9,474,902	9,759,149
Other Administrative Expenses	(29,877)	(30,475)	(31,084)	(31,706)	(32,340)	(32,987)	(33,647)	(34,320)	(35,006)
Agency Administration Fee	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Capital Expense Requirement	(95,509)	(98,375)	(101,326)	(104,366)	(107,497)	(110,722)	(114,043)	(117,465)	(120,988)
Project Administrator Management Fee	(326,193)	(335,979)	(346,068)	(356,440)	(367,133)	(378,147)	(389,492)	(401,177)	(413,212)
Total Net Revenues Less Administrative Expenses and Fees	7,102,383	7,320,253	7,544,665	7,775,816	8,013,908	8,259,148	8,511,752	8,771,942	9,039,943
Income from Investment Earnings & Reserve Releases	47,052	46,429	48,002	47,936	48,297	46,874	47,366	49,213	47,774
Income from Operations & Investment Earnings	7,149,435	7,366,682	7,592,667	7,823,752	8,062,204	8,306,022	8,559,119	8,821,155	9,087,717
Senior Debt Service Payment	(5,053,825)	(4,994,500)	(4,925,550)	(4,846,275)	(4,756,150)	(4,654,475)	(4,540,725)	(4,414,200)	(4,274,025)
Funds Remaining for B Bond Payment	2,095,610	2,372,182	2,667,117	2,977,477	3,306,054	3,651,547	4,018,394	4,406,955	4,813,692
Subordinate Interest Payment	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
Funds Available for A Bond Redemption	1,695,610	1,972,182	2,267,117	2,577,477	2,906,054	3,251,547	3,618,394	4,006,955	4,413,692
Senior Debt - Special Principal Redemption	(1,695,000)	(1,970,000)	(2,265,000)	(2,575,000)	(2,905,000)	(3,250,000)	(3,615,000)	(4,005,000)	(4,410,000)
Funds Available for B Bond Redemption	610	2,182	2,117	2,477	1,054	1,547	3,394	1,955	3,692
Subordinate Debt - Special Principal Redemption	-	-	-	-	-	-	-	-	-
Cash Flow After Bond Redemption	610	2,182	2,117	2,477	1,054	1,547	3,394	1,955	3,692
Remaining Cash Flow for Trailing Excess NOI	610	2,182	2,117	2,477	1,054	1,547	3,394	1,955	3,692
Estimated Foregone Tax Revenue (South Gate Portion)	99,259	101,244	103,269	105,335	107,441	109,590	111,782	114,018	116,298

Note: assumes South Gate receives 6.15% of general tax

Projected Sale Economics

Estimated Property Value	\$ 210,141,274	\$ 216,445,512	\$ 222,938,878	\$ 229,627,044
Less: Projected Closing Costs	(4,302,825)	(4,328,910)	(4,458,778)	(4,592,541)
Less: Cumulative Tax Loss	(1,436,317)	(1,548,099)	(1,662,117)	(1,778,415)
Less: Outstanding Bonds	(132,027,842)	(128,047,842)	(123,652,842)	(118,837,842)
Net Sale Proceeds to South Gate	\$ 72,474,289	\$ 82,520,660	\$ 93,165,141	\$ 104,418,246

Note: assumes 4.25% exit cap rate and 2% closing costs

Note: South Gate's option to  
compel sale commences Yr 15



Jefferson SoLA

Operating Proforma Cash Flow

Cash Flow Summary

	Yr 19	Yr 20	Yr 21	Yr 22	Yr 23	Yr 24	Yr 25	Yr 26	Yr 27
	12/15/2040	12/15/2041	12/15/2042	12/15/2043	12/15/2044	12/15/2045	12/15/2046	12/15/2047	12/15/2048
Net Revenue	\$ 12,468,047	\$ 12,842,088	\$ 13,227,351	\$ 13,624,171	\$ 14,032,897	\$ 14,453,883	\$ 14,887,500	\$ 15,334,125	\$ 15,794,149
Total Expense	(2,416,123)	(2,488,607)	(2,563,265)	(2,640,163)	(2,719,368)	(2,800,949)	(2,884,977)	(2,971,526)	(3,060,672)
Gross Operating Profit (Total Net Revenues)	10,051,924	10,353,482	10,664,086	10,984,009	11,313,529	11,652,935	12,002,523	12,362,598	12,733,476
Other Administrative Expenses	(35,706)	(36,420)	(37,149)	(37,892)	(38,649)	(39,422)	(40,211)	(41,015)	(41,835)
Agency Administration Fee	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Capital Expense Requirement	(124,618)	(128,357)	(132,207)	(136,174)	(140,259)	(144,467)	(148,801)	(153,265)	(157,862)
Project Administrator Management Fee	(425,608)	(438,377)	(451,528)	(465,074)	(479,026)	(493,397)	(508,199)	(523,444)	(539,148)
Total Net Revenues Less Administrative Expenses and Fees	9,315,991	9,600,328	9,893,202	10,194,870	10,505,595	10,825,649	11,155,313	11,494,874	11,844,631
Income from Investment Earnings & Reserve Releases	49,512	46,648	47,695	46,942	49,981	48,370	50,164	49,396	46,615
Income from Operations & Investment Earnings	9,365,503	9,646,976	9,940,897	10,241,812	10,555,576	10,874,019	11,205,477	11,544,270	11,891,245
Senior Debt Service Payment	(4,119,675)	(3,950,100)	(3,764,775)	(3,562,650)	(3,343,025)	(3,104,675)	(2,846,900)	(2,568,475)	(2,268,330)
Funds Remaining for B Bond Payment	5,245,828	5,696,876	6,176,122	6,679,162	7,212,551	7,769,344	8,358,577	8,975,795	9,622,895
Subordinate Interest Payment	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
Funds Available for A Bond Redemption	4,845,828	5,296,876	5,776,122	6,279,162	6,812,551	7,369,344	7,958,577	8,575,795	9,222,895
Senior Debt - Special Principal Redemption	(4,845,000)	(5,295,000)	(5,775,000)	(6,275,000)	(6,810,000)	(7,365,000)	(7,965,000)	(8,575,000)	(9,220,000)
Funds Available for B Bond Redemption	828	1,876	1,122	4,162	2,551	4,344	3,577	795	2,895
Subordinate Debt - Special Principal Redemption	-	-	-	-	-	-	-	-	-
Cash Flow After Bond Redemption	828	1,876	1,122	4,162	2,551	4,344	3,577	795	2,895
Remaining Cash Flow for Trailing Excess NOI	828	1,876	1,122	4,162	2,551	4,344	3,577	795	2,895
Estimated Foregone Tax Revenue (South Gate Portion)	118,624	120,997	123,416	125,885	128,402	130,971	133,590	136,262	138,987

Note: assumes South Gate receives 6.15% of general tax

Projected Sale Economics

Estimated Property Value	\$ 236,515,855	\$ 243,611,331	\$ 250,919,671	\$ 258,447,261	\$ 266,200,679	\$ 274,186,699	\$ 282,412,300	\$ 290,894,669	\$ 299,611,209
Less: Projected Closing Costs	(4,730,317)	(4,872,227)	(5,018,399)	(5,168,945)	(5,324,014)	(5,483,734)	(5,648,246)	(5,817,693)	(5,992,224)
Less: Cumulative Tax Loss	(1,897,039)	(2,018,036)	(2,141,452)	(2,267,337)	(2,395,739)	(2,526,710)	(2,660,500)	(2,796,561)	(2,935,548)
Less: Outstanding Bonds	(113,557,842)	(107,812,842)	(101,557,842)	(94,782,842)	(87,437,842)	(79,517,842)	(70,972,842)	(61,777,842)	(51,912,842)
Net Sale Proceeds to South Gate	\$ 116,330,657	\$ 128,908,226	\$ 142,201,983	\$ 156,228,137	\$ 171,043,084	\$ 186,658,413	\$ 203,130,912	\$ 220,492,572	\$ 238,770,594

Note: assumes 4.25% exit cap rate and 2% closing costs

Jefferson SoLA  
Operating Proforma Cash Flow

Cash Flow Summary

	Yr 28 12/15/2049	Yr 29 12/15/2050	Yr 30 12/15/2051	Yr 31 12/15/2052	Yr 32 12/15/2053	Yr 33 12/15/2054	Yr 34 12/15/2055	Yr 35 12/15/2056
Net Revenue	\$ 16,267,973	\$ 16,756,012	\$ 17,258,693	\$ 17,776,453	\$ 18,309,747	\$ 18,859,039	\$ 19,424,811	\$ 20,007,555
Total Expense	(3,152,492)	(3,247,067)	(3,344,479)	(3,444,814)	(3,548,158)	(3,654,603)	(3,764,241)	(3,877,168)
Gross Operating Profit (Total Net Revenues)	13,115,481	13,508,945	13,914,213	14,331,640	14,761,589	15,204,437	15,660,570	16,130,387
Other Administrative Expenses	(42,672)	(43,526)	(44,396)	(45,284)	(46,190)	(47,114)	(48,056)	(49,017)
Agency Administration Fee	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Capital Expense Requirement	(162,598)	(167,476)	(172,501)	(177,676)	(183,006)	(188,496)	(194,151)	(199,975)
Project Administrator Management Fee	(555,322)	(571,982)	(589,141)	(606,816)	(625,020)	(643,771)	(663,084)	(682,976)
Total Net Revenues Less Administrative Expenses and Fees	12,204,888	12,575,961	12,958,175	13,351,865	13,757,373	14,175,056	14,605,279	15,048,418
Income from Investment Earnings & Reserve Releases	48,715	48,772	46,578	48,473	5,414,797	1,311,303	-	-
Income from Operations & Investment Earnings	12,253,603	12,624,733	13,004,753	13,400,337	19,172,170	15,486,360	14,605,279	15,048,418
Senior Debt Service Payment	(1,945,650)	(1,598,975)	(1,227,100)	(828,975)	(403,025)	-	-	-
Funds Remaining for B Bond Payment	10,307,953	11,025,758	11,777,653	12,571,362	18,769,145	15,486,360	14,605,279	15,048,418
Subordinate Interest Payment	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	-	-	-
Funds Available for A Bond Redemption	9,907,953	10,625,758	11,377,653	12,171,362	18,369,145	15,486,360	14,605,279	15,048,418
Senior Debt - Special Principal Redemption	(9,905,000)	(10,625,000)	(11,375,000)	(12,170,000)	(11,515,000)	-	-	-
Funds Available for B Bond Redemption	2,953	758	2,653	1,362	6,854,145	15,486,360	14,605,279	15,048,418
Subordinate Debt - Special Principal Redemption	-	-	-	-	(5,542,842)	-	-	-
Cash Flow After Bond Redemption	2,953	758	2,653	1,362	1,311,303	15,486,360	14,605,279	15,048,418
Remaining Cash Flow for Trailing Excess NOI	2,953	758	2,653	1,362	1,311,303	-	-	-
Estimated Foregone Tax Revenue (South Gate Portion)	141,767	144,602	147,494	150,444	153,453	156,522	159,652	162,845

Note: assumes South Gate receives 6.15% of general tax

Projected Sale Economics

Estimated Property Value	\$ 308,599,545	\$ 317,857,532	\$ 327,393,258	\$ 337,215,056	\$ 347,331,507	\$ 357,761,452	\$ 368,483,996	\$ 379,538,516
Less: Projected Closing Costs	(6,171,991)	(6,357,151)	(6,547,865)	(6,744,301)	(6,946,630)	(7,155,029)	(7,369,680)	(7,590,770)
Less: Cumulative Tax Loss	(3,077,315)	(3,221,917)	(3,369,411)	(3,519,855)	(3,673,308)	(3,829,830)	(3,989,482)	(4,152,328)
Less: Outstanding Bonds	(41,322,842)	(29,977,842)	(17,852,842)	(4,887,842)	17,057,842	-	-	-
Net Sale Proceeds to South Gate	\$ 258,027,397	\$ 278,300,622	\$ 299,623,139	\$ 322,063,057	\$ 353,769,411	\$ 346,766,594	\$ 357,124,834	\$ 367,795,418

Note: assumes 4.25% exit cap rate and 2% closing costs

NOV 01 2021

6:00pm

# City of South Gate

CITY COUNCIL

## AGENDA BILL

For the Regular Meeting of: November 9, 2021

Originating Department: Parks and Recreation

Interim Department Director: Steve Costley Interim City Manager: Chris Jeffers  
 Steve Costley Chris Jeffers

**SUBJECT: SECOND READING OF ORDINANCE NO. 2021-10-CC ALLOWING FOR PERMITTED POSSESSION AND CONSUMPTION OF ALCOHOLIC BEVERAGES AT CITY PARKS & FACILITIES**

**PURPOSE:** To adopt Ordinance No. 2021-10-CC amending the South Gate Municipal Code to allow for the possession, sale, and consumption of alcoholic beverages at park facilities and specified park areas provided that a permit is issued in accordance with approved permit requirements and written guidelines adopted by the Department of Parks & Recreation.

**RECOMMENDED ACTIONS:** The City Council will consider waiving the reading in full and adopting Ordinance No. 2021-10-CC amending Section 7.49.170 (Alcoholic Beverages, Narcotics, and other controlled substances) of chapter 7.49 (Park) of Title 7 (Public Safety and Morals), of the South Gate Municipal Code to allow for the possession, sale, and consumption of alcoholic beverages at park facilities and specified park areas provided that a permit is issued in accordance with approved permit requirements and guidelines adopted by the City Council.

**FISCAL IMPACT:** None; however, if the proposed Ordinance is amended, the required permit fees for use of facilities with alcohol service will increase the overall revenue for the Parks & Recreation Department.

**ANALYSIS:** Amending the Ordinance is the first step in developing an overall policy allowing alcohol use at Parks & Recreation facilities and park areas. If approved, the staff will create a comprehensive policy that includes working with other municipalities in the surrounding area to obtain best practices and guidelines for permits, insurance, security, and other needed items to reduce liability and provide a safe atmosphere for distribution of alcohol at park events.

The proposed policy would be developed by staff under the guidance of the City Attorney's Office, presented to the Parks & Recreation Commission and public for approval and then brought to the City Council for final approval.

**BACKGROUND:** Each year the Parks & Recreation Department receives numerous requests from the public to reserve facilities such as the Auditorium or Girls Club House for the purpose of having a wedding reception, or other special events that would commonly include the consumption of alcohol. Each year patrons are informed that it is against the City of South Gate's Municipal Code to allow alcohol

on the park. These patrons either take their request to other cities who allow alcohol at their facilities, or they consume it out in the parking lots after they have rented the room for the day.

The purpose of this Ordinance change is to bring the department in-line with surrounding communities and allow alcohol at the park for the enjoyment of the residents under strict guidelines, so the City is covered by insurance and has the renter provide security at the event.

Special events such as the Pageant of the Trees have proved to be successful one-time exceptions and it is believed that expansion of the use to the general public can be properly monitored.

**ATTACHMENT:** Ordinance No. 2021-10-CC

**ORDINANCE NO. 2021-10-CC**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE, AMENDING ORDINANCE SECTION 7.49.170 (ALCOHOLIC BEVERAGES, NARCOTICS AND OTHER CONTROLLED SUBSTANCES) OF CHAPTER 7.49 (PARK), OF TITLE 7 (PUBLIC SAFETY AND MORALS), OF THE SOUTH GATE MUNICIPAL CODE TO ALLOW POSSESSION OR CONSUMPTION OF ALCOHOLIC BEVERAGES WHERE AUTHORIZED BY WRITTEN PERMIT OF THE DIRECTOR OF PARKS & RECREATION WHERE SAID ALCOHOLIC BEVERAGES ARE POSSESSED, SOLD AND CONSUMED WITHIN APPROVED PARK FACILITIES OR SPECIFIED PARK AREAS.**

**WHEREAS**, use, possession and sale of alcohol is prohibited by Section 7.49.170 (Alcoholic Beverages, Narcotics and Other Controlled Substances), of Chapter 7.49 (Park), of Title 7 (Public Safety and Morals), of the South Gate Municipal Code, at all municipal parks without a specific means of approving exceptions;

**WHEREAS**, since 2015 the City Council has granted requests to temporarily suspend the ban on consumption of alcohol beverages at the South Gate Municipal Auditorium for the Commission for South Gate Youth fundraising event “Pageant of the Trees”;

**WHEREAS**, the City Council made an additional exemption for GOALS Soccer Center for a special event in February of 2020;

**WHEREAS**, residents of the City of South Gate and surrounding areas have regularly inquired about hosting events which include alcohol consumption at City facilities, and taking into account that other park facilities in neighboring cities are hosting similar events for non-profit and community-based organizations which could have occurred at City facilities and benefited the South Gate community in general; and

**WHEREAS**, surrounding municipalities in the Southeast Los Angeles area allow limited alcohol consumption at their facilities and parks for special occasions and events.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1.** The City Council does hereby declare that the above recitals are true and correct and incorporated herein by reference.

**SECTION 2.** Section 7.49.170 (Alcoholic Beverages, Narcotics and Other Controlled Substances) of Chapter 7.49 (Park), of Title 7 (Public Safety and Morals) of the South Gate Municipal Code, is hereby amended to read as follows.

A person shall not enter, be or remain in any park while in possession of any can, bottle, or other receptacle containing any alcoholic beverage which has been opened, or a seal broken, or the contents of which have been partially removed, or while consuming any alcoholic beverage. A person shall not enter, be or remain in any park while in possession of or otherwise transporting, purchasing, selling, giving away or consuming any narcotics or other controlled substances, including marijuana.

No person shall have in his or her possession within any municipal park, any instrument used to administer or ingest any intoxicating or controlled substance, including marijuana pipes or similar smoking devices.

Notwithstanding the foregoing, possession or consumption of alcoholic beverages may be possessed, sold, and consumed within approved park facilities or specified park areas, provided that the permit is issued in accordance with approved permit requirements and written guidelines adopted by the City Council.

**SECTION 3.** This Ordinance shall take effect and be in force on the thirty-first (31<sup>st</sup>) day after its adoption.

**SECTION 4.** The City Clerk shall certify to the adoption of this Ordinance which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 9<sup>th</sup> day of **November 2021**.


**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Al Rios, Mayor

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney



CITY MANAGER'S OFFICE

NOV 03 2021

8:00 AM

# City of South Gate

CITY COUNCIL

## AGENDA BILL

For the Regular Meeting of: November 9, 2021

Interim Department Director:



Erika Soriano

Interim City Manager:



Chris Jeffers

**SUBJECT: SECOND READING OF ORDINANCE NO. 2021-11-CC AMENDING CERTAIN SECTIONS OF CHAPTER 11.13 OF TITLE 11 OF THE SOUTH GATE MUNICIPAL CODE RELATING TO DENSITY BONUS FOR AFFORDABLE HOUSING**

**PURPOSE:** To adopt Ordinance No. 2021-11-CC amending various sections to Chapter 11.31 of Title 11 of the South Gate Municipal Code to revise the City's zoning regulations pertaining to density bonus for affordable housing.

**RECOMMENDED ACTIONS:** The City Council will consider waiving the reading in full and adopting Ordinance No. 2021-11-CC amending Section 11.31.030 (Definitions) to Chapter 11.31 (Density Bonus for Affordable Housing) and further deleting and replacing Table 11.31-1 (Determination of Density Bonus) in its entirety of Section 11.31.040 (Density Bonus), Sub-Section A (Determination of Density Bonus), and further deleting and replacing Table 11.31-3 (Number of Incentives) of Section 11.31.050 (Incentives), Sub-Section A (Number of Incentives), and further deleting and relacing Table 11.31-4 (Parking Requirements for Projects Receiving a Density Bonus) of Section 11.31.060 (Affordable Housing Requirements), Sub-section B.3. (Development Standards) of Title 11 (Zoning) of the South Gate Municipal Code to revise the City's regulations pertaining to density bonus for affordable housing.

**BACKGROUND:** California State Density Bonus Law was first implemented in 1976 to address California's growing affordable housing needs. Density Bonus Law is part of a larger package of incentives intended to make the development of affordable and senior housing economically feasible. The law has been amended multiple times since its adoption in response to evolving housing conditions to provide clarification on legislation, respond to legal challenges, and incorporate new or expanded provisions. Density Bonus Law originally sought to address the affordable housing shortage by encouraging development of low- and moderate-income units; over time, the law was expanded to recognize the need for housing for households at a wider range of income levels and with specialized needs. Density Bonus Law is intended to increase the production of affordable housing by requiring local agencies to grant an increase to the maximum allowable residential density for eligible projects, and to support the development of eligible projects at greater residential densities by granting incentives, concessions, waivers, and/or reductions to applicable development regulations.

Previous Density Bonus Law allowed for an increase in additional density over the maximum allowable density as specified in the City's Development Code and General Plan, according to the amount of affordable housing units proposed by an applicant. More recently, updates to Density Bonus Law specify regulations allowing for density bonuses and development concessions for senior and affordable housing, reduced parking based on the proximity to transit, streamlined procedures for processing applications, and expanded housing categories that qualify for a density bonus. The amount of additional density an

applicant is entitled to, over the maximum allowable density, varies according to the amount of affordable housing units proposed by an applicant.

### **Recent Density Bonus Law Legislation**

As mentioned above, Density Bonus Law has been amended repeatedly in response to the housing market. Below are a few key bills that have been implemented over the past several years to strengthen the benefits of density bonuses.

*Senate Bill 1085.* Adopted in 2020, SB 1085 increased incentives for projects to incorporate units of affordable housing to include very-low Income households.

*Assembly Bill 1763.* Effective on January 1, 2020, AB 1763 added significant bonuses to existing law, most notably, developments with 100% of units dedicated for lower income households are eligible for a density bonus of at least 80% of the number of affordable units. In other words, a development project consisting of a total of 100 income qualifying units, may receive a density bonus of 80 units. These projects are also entitled to receive up to four concessions or waivers.

AB 1763 also reduced the parking ratio for special needs housing and qualifying supportive housing projects from 0.3 spaces per unit to zero spaces per unit if the proposed housing development has either paratransit service or unobstructed access within one-half mile to a fixed route bus service that operates at least eight times per day.

*Assembly Bill 2345.* Effective January 1, 2021, AB 2345 further expanded Density Bonus Law by reducing parking requirements for additional projects. Most importantly, it now provides an up to 50% density bonus, up from the previous 35% bonus allowed by law.

*Assembly Bill 634.* Signed in September 2021, AB 634 allows cities to impose affordability terms longer than 55 years on applicable affordable units, if permitted by local ordinance.

*Assembly Bill 571.* Signed in September 2021, this assembly bill prohibits cities from imposing housing impact fees, including inclusionary zoning and in-lieu fees, on affordable units.

### **Projects Entitled to a Density Bonus**

Cities are required to grant a density bonus and other incentives or concessions to housing projects which contain one of the following:

- At least 5% of units are restricted to very low-income residents.
- At least 10% of units are restricted to lower income residents.
- At least 10% of units in a for-sale development are restricted to moderate income residents.
- 100% of units are affordable (maximum of 20% moderate).
- At least 10% of units are for transitional housing.
- At least 20% of units are for low-income college students in housing dedicated for students.
- Donation of at least one acre of land to the city for very low-income units.
- Senior citizen housing development (no affordable units required).
- Mobile home park age-restricted to senior citizens (no affordable units required).

### **Density Bonus Amount**

The amount of density bonus is set on a sliding scale, based upon the percentage of affordable units at each income level. The maximum density bonus amounts for very low-, low-, and moderate-income housing were increased by legislation approved in 2020. Table 1 outlines the minimum percentage of



affordable units that can be built in each affordability category and the associated density bonuses that result.

**Table 1 - Density Bonus Available**

Affordability	Minimum % Units in Category	Bonus Granted	Add. Bonus - Each 1% Increase in Category	Maximum Density Bonus
Very Low Income	5%	20%	3%	50%
Low Income	10%	20%	1.5%	50%
Moderate Income*	10%	5%	1%	50%
Senior Housing	100%	20%	NA	20%
Condo Conversion - VL Income	15%	25%	NA	25%
Condo Conversion - Mod Income	33%	25%	NA	25%
Land Donation - VL Income	10%	15%	1%	30%
Child Care Center	NA	Add. Sq. Ft.	NA	NA
Transitional	10%	20%	NA	20%

\* Ownership only

\*Density bonus above are a direct result of Government Code Section 65915 and Assembly Bill 2345

Table 2 demonstrates the expansion in density bonuses allowed by AB 2345 compared to pre-2021 Density Bonus Law. The expansion from a 35% to 50% density bonus can be seen as a large financial incentive for affordable housing developers.

**Table 2 - Comparison of Pre-2021 Density Bonus Law and AB 2345 Requirements**

Affordability	Pre-2021 Density Bonus Law	AB 2345 Amendments
Very Low Income	35% Bonus for 11% Set Aside	50% Bonus for 15% Set Aside
Low Income	35% Bonus for 20% Set Aside	50% Bonus for 24% Set Aside
Moderate Income*	35% Bonus for 40% Set Aside	50% Bonus for 44% Set Aside

\* Ownership only

### Required Incentives and Concessions

In addition to the density bonus, the City is required to provide one or more incentives or concessions to a project that qualifies for a density bonus. Concessions are defined as:

- A reduction in site development standards, modification of zoning code, or architectural design requirements
- Approval of mixed-use zoning
- Other regulatory incentives or concessions resulting in identifiable and actual cost reductions

Examples of concessions and incentives include, but are not limited to:

- Reductions in setbacks
- Reductions in floor area ratio

- Reductions in open space requirements
- Reductions in parking
- Increase in height limits
- Reduction of minimum square footage requirements
- Reduction in jurisdictional fees

The number of required concessions is based on the percentage of affordable units in the project, as demonstrated in the following table:

**Table 3 - Density Bonus Incentives and Concessions Required**

<b>Number of Incentives / Concessions</b>	<b>Very Low Income Percentage</b>	<b>Lower Income Percentage</b>	<b>Moderate Income Percentage</b>
1	5%	10%	10%
2	10%	17%	20%
3	15%	24%	30%
4*	100% L/ VL /Mod		

\* Only 20% of units can be moderate

The City is required to grant the concession proposed by the developer unless it finds that the proposed concession would:

- Not result in identifiable and actual cost reductions
- Cause a public health or safety problem
- Cause an environmental problem
- Harm historical property
- Be contrary to law

Density Bonus Law restricts the types of information that a developer may be required to provide to the City to obtain the requested concession. The City has the burden of proof in the event it declines to grant a requested concession. Financial incentives, fee waivers, and reductions in dedication requirements may be, but are not required to be, provided by the City. The developer may be entitled to the incentives and concessions even without a request for a density bonus.

### **Other Forms of Assistance**

A development qualifying for a density bonus also receives two additional forms of assistance which may have benefits for housing developments.

*Waiver or Reduction of Development Standards.* If a development standard would physically prevent the project from being built at the permitted density and with the granted concessions, the developer may propose to have those standards waived or reduced. The City is not permitted to apply any development standard which physically precludes the construction of the project at its permitted density and with the granted concessions. There is no limit on the number of development standard waivers that may be requested or granted. This ability to force the locality to modify its normal development standards is sometimes the most compelling reason for the developer to structure a project to qualify for the density bonus.

*Maximum Parking Requirements.* Upon the developer’s request, the City may not require more than the following parking ratios for a density bonus project (inclusive of parking for persons with disabilities):

**Table 4 - Maximum Parking Requirements**

<b>Bedrooms</b>	<b>Maximum Parking Spaces</b>
Studio	1 space
1	1 space
2	1.5 spaces
3	1.5 spaces
4	2.5 spaces

*Special Parking Requirements.* Lower parking ratios apply to specified projects, although the City can require higher parking ratios if supported by a specified parking study.

**Table 5 - Max Parking Requirements for Projects Located Near Major Transit\***

<b>Project Type</b>	<b>Max Parking Spaces</b>
Rental or ownership projects with 11% VL or 20% lower income limits	.5 spaces
Rental projects 100% affordable to lower income	0 spaces
Rental Senior projects 100% affordable to lower income**	0 spaces
Rental special needs projects 100% affordable to lower income**	0 spaces
Rental supportive housing developments 100% affordable to lower income	0 spaces

\* Projects must be located within 1/2 mile of accessible major transit stop

\*\* Can include paratransit. Must operate at least 8 times per day.

Onsite spaces may be provided through tandem or uncovered parking, but not on street parking. Requesting these parking standards does not count as a concession, but the developer may request further parking standard reductions as a concession. This is often the most beneficial aspects of the density bonus statute. In many cases, achieving a reduction in parking requirements may be more valuable than the additional units for a developer. In higher density developments requiring the use of structured parking, the construction cost can be upwards of \$20,000 per parking space.

**Affordable Housing Restrictions**

Affordable rental units must be restricted by an agreement which sets maximum incomes and rents for those units. Income and rent restrictions must remain in place for a 55-year term for very low- or lower-income units (formerly only a 30-year term was required). Table 6 demonstrates the affordability limits in the City of South Gate, based on the area median income in Los Angeles County, according to the State Department of Housing and Community Development.

**Table 6 - Affordability Limits in the City of South Gate**

	Household Size			
	2 Persons	3 Persons	4 Persons	5 Persons
<b>Extremely Low Income</b>	\$28,400	\$31,950	\$35,450	\$38,300
<b>Very Low Income</b>	\$47,300	\$53,200	\$59,100	\$63,850
<b>Median Income</b>	\$64,000	\$72,000	\$80,000	\$86,400
<b>Low Income</b>	\$75,700	\$85,150	\$94,600	\$102,200
<b>Moderate Income</b>	\$76,800	\$86,400	\$96,000	\$103,700

These density bonus requirements affect both market rate, mixed income, and affordable housing projects in the City. However, in instances when the City or Housing Authority partner with a developer to develop affordable housing under a disposition and development agreement or an affordable housing agreement, the parties can voluntarily agree to a particular density, project design and other project standards. The City or Housing Authority is not obligated to provide financial assistance to any project regardless of density.

**Benefits of Density Bonus Ordinances**

The enhanced Density Bonus Law has a number of benefits for both developers and cities alike. Some of these include:

- Tool for the City to meet Regional Housing Needs Allocation (RHNA) for all units
- Increases affordable housing units
- Achieves Housing Element goals
- Makes development of housing more affordable for developers by making land the land per unit cost decrease
- Increases the economic feasibility of inclusionary housing requirements for developers
- Increases density by right for certain projects, eliminating the need and cost of General Plan or zoning amendments

**Planning Commission Review**

At the regularly scheduled Planning Commission meeting of September 21, 2021, the Planning Commission voted unanimously to recommend that the City Council approve Zone Text Amendment No. 169. At this meeting, the Planning Commission requested that future amendments to the Density Bonus Ordinance consider including extremely low-income unit requirements.

**ATTACHMENT:** A. Ordinance No. 2021-11-CC

**ORDINANCE NO. 2021-11-CC**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, AMENDING SECTION 11.31.030 (DEFINITIONS) OF CHAPTER 11.31 (DENSITY BONUS FOR AFFORDABLE HOUSING) AND FURTHER DELETING AND REPLACING TABLE 11.31-1 (DETERMINATION OF DENSITY BONUS) IN ITS ENTIRETY OF SECTION 11.31.040 (DENSITY BONUS), SUB-SECTION A (DETERMINATION OF DENSITY BONUS); AND FURTHER DELETING AND REPLACING TABLE 11.31-3 (NUMBER OF INCENTIVES) OF SECTION 11.31.050 (INCENTIVES), SUB-SECTION A (NUMBER OF INCENTIVES); AND FURTHER DELETING AND REPLACING TABLE 11.31-4 (PARKING REQUIREMENTS FOR PROJECTS RECEIVING A DENSITY BONUS) OF SECTION 11.31.060 (AFFORDABLE HOUSING REQUIREMENTS), SUB-SECTION B.3. (DEVELOPMENT STANDARDS) OF TITLE 11 (ZONING) OF THE SOUTH GATE MUNICIPAL CODE TO REVISE THE CITY'S REGULATIONS PERTAINING TO DENSITY BONUS FOR AFFORDABLE HOUSING**

**WHEREAS**, Chapter 11.31 (Density Bonus for Affordable Housing) of Title 11 (Zoning) of the South Gate Municipal Code provides incentives for the production of affordable housing in accordance with California Government Code Sections 65915 *et seq.*;

**WHEREAS**, Section 11.31.030 (Definitions) sets forth various definitions applicable to the City's Density Bonus Ordinance;

**WHEREAS**, on September 28, 2020, AB 2345 was signed into law, relating to the State's Density Bonus Law modifying California Government Code Section 65915 effective January 1, 2021;

**WHEREAS**, this Ordinance amends Title 11 (Zoning), Chapter 11.31 (Density Bonus for Affordable Housing) of the South Gate Municipal Code to conform the City's municipal ordinances regarding density bonuses with the new State law requirements established by AB 2345;

**WHEREAS**, pursuant to California Government Code Section 65854, the Planning Commission duly noticed and agendized a public hearing and conducted the public hearing on this matter on September 21, 2021, and adopted Planning Commission Resolution 2021-13 recommending that the City Council approve Zoning Text Amendment No. 169 and adopt the amendments to the South Gate Zoning Code as set forth in this Ordinance; and

**WHEREAS**, the City Council held a duly noticed public hearing on Zoning Text Amendment No. 169 to consider adoption of this Ordinance and hear public testimony on October 26, 2021.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1.** The forgoing recitations are hereby adopted by the City Council as findings. Based on those findings, the City Council determines the public health, safety and general welfare of the City of South Gate, its residents, and property owners can benefit by amending the South Gate Municipal Code (“SGMC”) to revise the provisions relating to density bonuses as incentives for the production of affordable housing in the City of South Gate, and it is in the best interest of the community to amend the SGMC accordingly.

**SECTION 2.** Section 11.31.030 (Definitions) of the SGMC is modified to replace the definition of “child care facility” with the definition set forth below, and to add definitions of “located within one-half mile of a major transit stop” and “major transit stop” as follows:

“Child care facility” shall mean a facility other than a small- or large-family day care home, including, but not limited to, infant centers, preschools, extended daycare facilities, and school-age childcare centers.”

“Located within one-half mile of a major transit stop” means that any point on the proposed development (for which an applicant seeks a density bonus, other incentives or concessions, waivers or reductions of development standards, or a parking ratio pursuant to this Chapter 11.31) is within one-half mile of any point on the property on which a major transit stop is located, including any parking lot owned by the transit authority or other local agency operating the major transit stop.

“Major transit stop” means a site containing any of the following: (a) an existing rail or bus rapid transit station; (b) a ferry terminal served by either a bus or tail transit service; (c) the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

**[Remainder of page left blank intentionally.]**

**SECTION 3. Section 11.31.040 (Density Bonus), Sub-Section A (Determination of Density Bonus), Table 11.31-1 (Determination of Density Bonus) of the SGMC, and its accompanying footnotes, are hereby deleted and replaced in their entirety with the following table and footnotes:**

**Table 11.31-1 Determination of Density Bonus**

Income Group or Other Qualification	Minimum Set-Aside of Affordable or Other Qualifying Units	Eligible Density Bonus		
		Base Bonus Granted	Additional Density Bonus for Each Additional 1% of Affordable Units	Maximum Density Bonus <sup>7</sup>
Very Low Income (50% AMI <sup>1</sup> )	5%	20%	2.5%	50% (formerly 35%)
Lower Income (80% AMI)	10%	20%	1.5%	50% (formerly 35%)
Moderate Income (120% AMI)	10%	5%	1.0%	50% (formerly 35%)
Land Donation (Very-Low-Income Projects Only)	10%	15%	1.0%	35%
Condominium / Apartment Conversions	33% low to moderate income	25%	n/a	25%
	15% very low income			
Senior Housing Development	100% (35 Units Minimum) <sup>2</sup>	20%	n/a	20%
Transitional Foster Youth, Disabled Veterans, or Homeless Persons <sup>3</sup>	10%	20%	n/a	20%
Lower income students in a qualifying student housing development <sup>4</sup>	20%	35%	n/a	35%
Developments restricted exclusively to lower income households	100% <sup>5</sup>	80% <sup>6</sup>	n/a	80% <sup>6</sup>

1. AMI = annual median income

2. Senior housing is not required to be affordable in order to receive a density bonus. However, one hundred percent of the units in the development (35 units minimum) must be restricted as senior housing as defined in Section 51.3 of the California Civil Code.

3. Must meet the applicable statutory definitions of the terms “transitional foster youth” (Education Code § 66025.9), “disabled veterans” (Government Code § 18541) or “homeless persons” (McKinney-Vento Homeless Assistance Act, 42 U.S.C. §§11301 *et seq.*). Furthermore, the units must be subject to a recorded affordability restriction of 55 years and must be provided at the same affordability level as very low income units. The type of units added due to the density bonus

(youth, veteran or homeless) must be the same as the type of use which gave rise to the bonus.

4. The student housing development must meet the requirements set forth in Government Code § 65915, subsections (b)(1)(F)(i)(I) through (b)(1)(F)(i)(IV). For purposes of calculating the number of units set aside and the number of units added by the density bonus in this category, the term “unit” is defined to mean one rental bed and its pro rata share of associated common area facilities. Furthermore, those units shall be subject to a recorded affordability restriction of 55 years.

5. For this category to apply, 100% of all units in the development (including total units and density bonus units) must be restricted for lower income households, except that (a) the manager’s unit or units need not be so restricted, and (b) up to 20% (including total units and density bonus units) may be for moderate income households.

6. All of the density bonus units must be restricted to lower income households. Moreover, if the housing development is located with ½ mile of a major transit stop, the City shall not impose any maximum controls on density.

7. Child care facility: when a qualified housing development project consisting of five or more residential units also includes a child care facility as described in Section 11.31.040(C)(9), the applicant shall receive either (a) an additional density bonus that is an amount of square feet of residential space equal to or greater than the amount of square feet in the childcare facility, or (b) an additional concession or incentive per Table 11.31-3.

**SECTION 4. Section 11.31.050 (Incentives), Sub-Section A (Number of Incentives), Table 11.31-3 (Number of Incentives) of the SGMC, and its accompanying footnotes, are hereby deleted and replaced in their entirety with the following table and footnotes:**

**Table 11.31-3 Number of Incentives**

Target Group	Percentage of Affordable Units		
	Very Low Income (50% AMI <sup>1</sup> )	5%	10%
Lower Income (80% AMI)	10%	17% (formerly 20%)	24% (formerly 30%)
Moderate Income (120% AMI, Common Interest Development Only)	10%	20%	30%
<b>Number of Incentives<sup>(2, 3)</sup></b>	<b>1</b>	<b>2</b>	<b>3</b>

1. AMI = annual median income

2. Child care facility: when a qualified project also includes a child care facility as described in Section 11.31.040(C)(9), the applicant shall receive either (a) one (1) additional concession or incentive or (b) the additional density bonus identified in footnote 7 of Table 11.31-1.

3. A development exclusively devoted to lower income households (per the final row of Table 11.31-1) shall be entitled to four (4) incentives. Moreover, if that development is located within ½ mile of a major transit stop, it shall also receive a height increase of up to three (3) additional stories or thirty-three (33) feet.



**SECTION 5. Section 11.31.060 (Affordable Housing Requirements), Sub-Section B.3. (Development Standards), Table 11.31-4 (Parking Requirements for Projects Receiving a Density Bonus) of the SGM, and its accompanying footnotes, are hereby deleted and replaced in their entirety with the following table and footnotes:**

**Table 11.31-4 Parking Requirements for Projects Receiving a Density Bonus**

<b>Number of On-Site Parking Spaces <sup>(1, 2, 3)</sup></b>	<b>Maximum Number of Bedrooms</b>
1.0	0
1.0	1
1.5 (formerly 2.0)	2
1.5 (formerly 2.0)	3
2.5	4 and more

1. A parking calculation resulting in a fraction shall be rounded up to the next whole number.
2. Parking standards here include guest and handicapped parking.
3. If a development includes at least 20% low income units or 11% of very low income units, AND is located within ½ mile of a major transit stop, AND there is unobstructed access to the major transit stop from the development (that is, a pedestrian can walk to it without crossing freeways, rivers, mountains, bodies of water or other “natural or constructed impediments”), THEN upon the developer’s request the City cannot impose a ratio that exceeds 0.5 spaces per unit.

**SECTION 6.** The City Council hereby finds and determines that the adoption of this Ordinance does not constitute a Project for purposes of the California Environment Quality Act of 1970 (“CEQA”). The City Council acknowledges that an amendment to a zoning ordinance can in certain circumstances constitute a “Project” under CEQA pursuant to Public Resources Code Section 21080 and Section 15378 of the State CEQA Guidelines (14 Cal. Code Regs. § 15378). The City Council further acknowledges, however, that pursuant to said Section 15378 and Public Resources Code Section 21065, such an amendment can only constitute a Project if it will cause a direct physical change in the environment (or a reasonably foreseeable indirect physical change in the environment). Here, no such change will result from the amendments contemplated by this Ordinance, because (a) the Ordinance merely enacts revisions necessary to comply with state law mandates, (b) the Ordinance does not involve any commitment to any specific project, and (c) any future project which will be subject to the amendments enacted by this Ordinance will be subject to its own CEQA review. Moreover, even if this Ordinance were to be deemed a Project under CEQA, it can be seen with certainty that this Ordinance has no likelihood of causing a significant negative effect on the environment, for the foregoing reasons; accordingly both the City Council’s action of adopting this Ordinance and the effects derivative from that adoption are exempt from the application of CEQA, pursuant to Section 15061(b)(3) of the State CEQA Guidelines (14 Cal. Code Regs. § 15061(b)(3)).

**SECTION 7.** This Ordinance is in conformance with the goals, policies, and objectives of the General Plan.

**SECTION 8.** If any section, subsection, subdivision, sentence, clause, phrase, or portion of this ordinance or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remainder of this ordinance. The City Council hereby declares that it would have adopted this ordinance, and each and every section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

**SECTION 9.** To the extent the provisions of the South Gate Municipal Code as amended by this Ordinance are substantially the same as the provisions of that Code as they read immediately prior to the adoption of this Ordinance, then those provisions shall be construed as continuations of the earlier provisions and not as new enactments.

**SECTION 10.** This Ordinance shall take effect and be enforced on the thirty-first (31<sup>st</sup>) day after its adoption.

**SECTION 11.** The City shall submit a copy of this Ordinance to the State Department of Housing and Community Development within sixty (60) days after adoption.

**SECTION 12.** The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be published as required by law.

**[Remainder of page left blank intentionally.]**

**PASSED, APPROVED and ADOPTED** this 9<sup>th</sup> day of November 2021.

**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Al Rios, Mayor

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By: Raul F. Salinas (A&D)  
Raul F. Salinas, City Attorney

NOV 01 2021

6:25 pm

# City of South Gate

CITY COUNCIL

# Item No. 8

## AGENDA BILL

For the Regular Meeting of: November 9, 2021

Originating Department: Parks and Recreation

Interim Department Director: Steve Costley Interim City Manager: Chris Jeffers  
 Steve Costley Chris Jeffers

**SUBJECT: RESOLUTION APPROVING APPLICATION(S) FOR SPECIFIED GRANT FUNDS FROM THE STATE OF CALIFORNIA**

**PURPOSE:** To allow staff to submit project application(s) to receive grant funds for specified grant fund project(s) from the State of California.

**RECOMMENDED ACTIONS:** The City Council will consider:

- a. Adopting a Resolution approving project application(s) for Specified Grant funds from the State of California Department of Parks and Recreation; and
- b. Delegating the authority to the Director of Parks & Recreation, or designee, to conduct all negotiations, sign and submit all documents including, but not limited to, applications, agreements, amendments, and payment requests which may be necessary for the completion of the grant scope(s) in a form acceptable to the City Attorney.

**FISCAL IMPACT:** The City will receive \$2,000,000 to use for Parks & Recreation specific projects in the future.

**ALIGNMENT WITH COUNCIL GOALS:** This item meets the City Council’s goal for “Continuing Infrastructure Improvements of City Amenities & Enhancements.”

**BACKGROUND:** During the State of California budget process, Assembly Speaker, Anthony Rendon, allocated \$2,000,000 in grant funding for the City of South Gate Parks & Recreation Department to use for infrastructure improvements. The proposed Resolution is the first step in the process of accessing the funding for the City of South Gate. These funds will be used to help pay for the planned Circle Park Renovation Project that is currently in final design process. Any agreement expending these funds will be brought before the City Council for approval.

**ATTACHMENT:** Proposed Resolution

**RESOLUTION NO. \_\_\_\_\_**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,  
CALIFORNIA, APPROVING APPLICATION(S) FOR SPECIFIED GRANT FUNDS TO  
THE STATE OF CALIFORNIA DEPARTMENT OF PARKS AND RECREATION**

**WHEREAS**, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of a grant to the City of South Gate and setting up necessary procedures governing application(s);

**WHEREAS**, said procedures established by the State Department of Parks and Recreation require the applicant's Governing Body to certify by resolution the approval of project application(s) before submission of said applications to the State; and

**WHEREAS**, the City agrees it will enter into a contract(s) with the State of California to complete such project(s) for which grant funding is obtained.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE  
DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council does hereby declare that the above recitals are true and correct and incorporated herein by reference.

**SECTION 2.** The City Council approves the filing of project application(s) for specified grant project(s) and certifies that it has or will have available, prior to commencement of project work utilizing specified grant funds, sufficient funds, including those provided by this grant, to complete the project.

**SECTION 3.** The City Council further certifies that it has or will provide sufficient funds to operate and maintain the project(s).

**SECTION 4.** The City Council certifies that the grantee has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Procedural Guide.

**SECTION 5.** The City Council hereby delegates the authority to the Director of Parks & Recreation, or designee, to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests which may be necessary for the completion of the grant scope(s).

**SECTION 6.** The City Council agrees to comply with all applicable federal, state, and local laws, ordinances, rules, regulations, and guidelines.

**SECTION 7.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 9<sup>th</sup> day of **November 2021**.

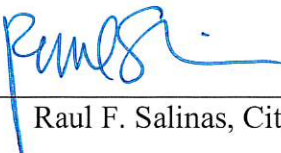
**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Al Rios, Mayor

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney

NOV 02 2021


1:00pm

City of South Gate  
CITY COUNCIL

AGENDA BILL

For the Regular Meeting of: November 9, 2021  
Originating Department: Administrative Services

Interim Department Director:   
Kingsley Okereke

Interim City Manager:   
Chris Jeffers

**SUBJECT:** RESOLUTION AMENDING THE HOURLY PAY TABLE TO UPDATE HOURLY RATES TO CONFORM TO THE MINIMUM WAGE LAW WHICH WILL GO INTO EFFECT ON JANUARY 1, 2022

**PURPOSE:** To update the Hourly Pay Table to comply with state law.

**RECOMMENDED ACTION:** The City Council will consider adopting a Resolution amending the Hourly Pay Table to update the hourly rates to conform to the minimum wage law effective January 1, 2022.

**FISCAL IMPACT:** None. The hourly rate changes will affect 29 hourly recreation employees and 1 hourly employee in another department. The total cost for the remaining six months of the fiscal year will be approximately \$2,700; however, the budget does not need to be amended as these costs were anticipated and included in the Fiscal Year 2021/22 budget.

**ANALYSIS:** None

**BACKGROUND:** On April 4, 2016, California Governor Jerry Brown signed Senate Bill No. 3, which increases California's minimum wage each year so that it will reach \$15.00 per hour in 2022 (unless the increases are temporarily delayed at any point due to certain economic conditions).

Currently, California's minimum wage is \$14.00 per hour. The law will increase this amount as follows for employers who employ 26 or more employees:

- On January 1, 2022, to \$15.00 per hour

On January 1, 2022, the new California minimum wage will be \$15.00 per hour. Only those positions that fall under \$15.00 per hour will be adjusted to comply with the new law. The other hourly positions will be evaluated at a future date when union negotiations are completed.

**ATTACHMENT:** Proposed Resolution (including new Hourly Pay Tables – Exhibit A).



**RESOLUTION NO. \_\_\_\_\_**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,  
CALIFORNIA, AMENDING THE HOURLY PAY TABLE TO UPDATE  
HOURLY RATES TO CONFORM TO THE STATE MINIMUM WAGE LAW  
EFFECTIVE JANUARY 1, 2022**

**WHEREAS**, on April 4, 2016, California Governor Jerry Brown signed Senate Bill No. 3, which yearly increases California's minimum wage so that it will reach \$15.00 per hour in 2022;

**WHEREAS**, currently, California's minimum wage is \$14.00 per hour and state law will increase the minimum wage on January 1, 2022, to \$15.00 per hour; and

**WHEREAS**, only those positions that fall under \$15.00 per hour will be adjusted to comply with the new law.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE  
DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council does hereby declare that the above recitals are true and correct and incorporated herein by reference.

**SECTION 2.** The City Council does hereby approve and adopt the proposed Hourly Pay Table effective January 1, 2022, attached hereto as Exhibit "A."

[Remainder of this page left blank intentionally.]



**SECTION 3.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 9<sup>th</sup> day of **November 2021**.

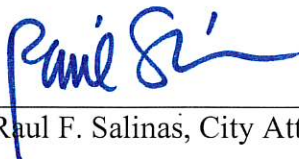
**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Al Rios, Mayor

**ATTESTED:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney

<b>Pay Plan Category L - Unclassified Hourly Employees (Flat Rated)</b>		
<b>Effective 01-02-2022</b>		
<b>(Minimum Wage Increase - 7.14%)</b>		
<u>Range</u>	<u>Hourly Rate</u>	<u>Hourly Position</u>
999	\$ 22.00	Administrative Aide
999	\$ 26.52	Business License Inspector
999	\$ 18.26	Clerical Assistant I
999	\$ 19.76	Clerical Assistant II
999	\$ 22.51	Clerical Assistant III
999	\$ 23.05	Community Development Intern
999	\$ 21.85	Computer Information Systems (CIS) Aide
999	\$ 21.85	Computer Information Systems (CIS) Aide - Police
999	\$ 23.11	Court Officer
999	\$ 23.05	Engineering Aide
999	\$ 31.32	Family Violence Prevention Specialist
999	\$ 15.00 <del>14.00</del>	Intern
999	\$ 19.76	Maintenance Helper
999	\$ 25.21	Maintenance Service Worker
999	\$ 19.76	Mechanic Helper
999	\$ 28.58	Outdoor Power Equipment Mechanic
999	\$ 24.40	Police Cadet
999	\$ 26.62	Police Custodian of Records
999	\$ 17.60	Police Vehicle Service Attendant
999	\$ 24.40	Program Assistant
999	\$ 20.44	Public Safety Officer
999	\$ 17.52	Research Aide
998	\$ 15.00 <del>14.00</del>	Student Worker

<b>Pay Plan Category L - Unclassified Hourly Employees</b>						
<b>Effective 01-02-2022</b>						
<b>(Minimum Wage Increase - 7.14%)</b>						
<u>Range</u>	<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>	<u>Hourly Position</u>
997	\$15.00	\$15.00	\$15.43	\$16.21	\$17.02	Recreation Leader I (Rec Aide, Maint Aide I, Tutor Assistant)
996	\$15.40	\$16.17	\$16.98	\$17.83	\$18.72	Recreation Leader II (Rec Attendant, Maint Aide II, Tutor)
995	\$16.94	\$17.79	\$18.68	\$19.61	\$20.59	Recreation Leader III (Cashier, Golf Starter)
994	\$18.63	\$19.56	\$20.54	\$21.57	\$22.65	Recreation Leader IV (Recreation Leader, Sr. Golf Starter)
993	\$15.40	\$16.17	\$16.98	\$17.83	\$18.72	Lifeguard
995	\$16.94	\$17.79	\$18.68	\$19.61	\$20.59	Swim Instructor
992	\$18.63	\$19.56	\$20.54	\$21.57	\$22.65	Senior Lifeguard

<b>Pay Plan Category L - Unclassified Hourly Employees</b> Effective 01-02-2022 (No change)		
<u>Range</u>	<u>Hourly Rate Equivalent</u>	<u>Full-Time Classification - Hourly Equivalent</u>
		Municipal Employees' Association (MEA) Positions <i>Hourly Equivalent to 08/23/19 MEA Step A (Eff Council Action 12/12/17)</i>
999	\$18.52	City Hall Receptionist
999	\$27.71	Code Enforcement Officer
999	\$23.41	Community Development Technician II
999	\$22.33	Community Services Officer
999	\$22.02	Customer Service Representative
999	\$24.31	Electrician I
999	\$27.60	Electrician II
999	\$26.14	Equipment Mechanic
999	\$20.93	Grounds Maintenance Worker
999	\$27.45	Housing Specialist
999	\$22.02	Intermediate Account Clerk
999	\$20.86	Intermediate Typist Clerk/Office Assistant
999	\$20.93	Park Facilities Maintenance Worker
999	\$21.66	Police Records Specialist

<b>Pay Plan Category L - Unclassified Hourly Employees</b> Effective 01-02-2022 (No change)		
<u>Range</u>	<u>Hourly Rate Equivalent</u>	<u>Sworn Position - Hourly Equivalent</u>
999	\$41.82	Police Officer  <i>Hourly Equivalent to 06/23/19 POA Step C (Eff Council Action 09/26/06)</i>

NOV 02 2021

7:00 pm

# City of South Gate


CITY COUNCIL

## AGENDA BILL

For the Regular Meeting of: November 9, 2021

Originating Department: Office of the City Clerk

Department Director:

  
Carmen Avalos, City Clerk

Interim City Manager:

  
Chris Jeffers

**SUBJECT: RESOLUTION AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE CITY COUNCIL, ALL CITY SUBORDINATE BODIES, AND ALL CITY NON-PROFIT CORPORATION BOARDS AND THEIR SUBORDINATE BODIES, FOR THE PERIOD OF NOVEMBER 12 - DECEMBER 11, 2021**

**PURPOSE:** To authorize the remote teleconference of City meetings. The new requirements for meeting remotely, pursuant to the Brown Act as amended by AB 361, will allow the City Council to be in compliance and continue to provide options for the public at-large to participate via teleconference without putting their health at risk.

**RECOMMENDED ACTIONS:** The City Council will consider adopting a Resolution authorizing remote teleconference meetings of the City Council, all City subordinate bodies, and all City non-profit corporation Boards and their subordinate bodies, for the period of November 12 - December 11, 2021.

**FISCAL IMPACT:** There is no fiscal impact as the City already utilizes internet-based service for meetings.

**ANALYSIS:** None

**BACKGROUND:** Since March of 2020 and because of the COVID-19 pandemic, the City Council of the City of South Gate, all its subordinate bodies, and all its non-profit corporation boards and their subcommittees, have been meeting remotely pursuant to the Governor's Executive Order N-29-20, which suspended certain teleconference requirements of the Brown Act. On June 11, 2021, the Governor issued Executive Order N-08-21, which rescinds these suspensions effective, September 30, 2021.

In recognition of the fact that the pandemic is ongoing, on September 16, 2021, the Governor signed AB 361, an urgency measure which amends the Brown Act and authorizes teleconferenced public meetings under certain circumstances where the participation is from a remote location. AB 361 went into effect October 1, 2021 and expires on January 1, 2024. If the City Council desires to continue to meet remotely, it must comply with AB 361.

AB 361 applies to meetings during a state of emergency as declared by the Governor. There must also be either imposed or recommended measures to promote social distancing by state or local officials, or a finding by the legislative body that meeting in-person would present imminent risks to the health or safety of attendees as a result of the emergency.

AB 361 requires several procedural safeguards to protect public participation during a remote meeting, key ones of which are summarized as follows:

- The public must have the ability to address the legislative body directly and must be given information on how to address the body.
- The public must be provided either a call-in or internet-based service option.
- The body must stop the meeting if the call-in or internet-based option fails.
- The legislative body cannot require that public comments be submitted in advance (although this option can be provided).
- Speakers cannot be required to pre-register (except as required by an independent call-in or internet platform).
- Members of the public must be given a reasonable time to register to provide public comment.
- Agencies that provide a timed public comment period shall not close the public comment period until that time period has expired.

Accordingly, if the Council wishes for itself, all its subordinate bodies, and all its non-profit corporation boards and their subcommittees to be able to meet remotely during the current declared state of emergency, it should adopt a resolution finding that measures to promote social distancing by state or local officials, and/or meeting in person would present imminent risks to the health or safety of attendees as a result of the emergency. This resolution would permit meetings pursuant to AB 361 for a maximum period of 30 days. If the Council desires to continue using the teleconference exception beyond that initial 30-day period, it must confirm the circumstances of the state of emergency and make required findings at least 30 days after adoption of that resolution and every 30 days thereafter.

**ATTACHMENT:** Proposed Resolution



**RESOLUTION NO. \_\_\_\_\_**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,  
CALIFORNIA AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF  
THE CITY COUNCIL, ALL CITY SUBORDINATE BODIES, AND ALL CITY  
NON-PROFIT CORPORATION BOARDS AND THEIR SUBORDINATE BODIES,  
FOR THE PERIOD OF NOVEMBER 12 – DECEMBER 11, 2021**

**WHEREAS**, the City of South Gate is committed to preserving and fostering public access and participation in meetings of the City Council, all City subordinate bodies, and all city non-profit corporation Boards and their subordinate bodies, as required by the Ralph M. Brown Act (Cal. Gov. Code §§ 54950 - 54963), so that any member of the public may attend and participate as the bodies conduct the public's business;

**WHEREAS**, the Brown Act makes special provisions for remote teleconferencing participation in meetings when the Governor has declared a state of emergency pursuant to Government Code section 8625, and either state or local officials have imposed or recommended measures to promote social distancing, or an in-person meeting would present imminent risks to the health and safety of attendees;

**WHEREAS**, such conditions now exist in the City of South Gate. Specifically, on March 4, 2020, Governor Gavin Newsom issued a Proclamation of a State of Emergency with regard to the COVID-19 pandemic. The Los Angeles County Department of Public Health has issued numerous Health Orders regarding safety protocols during the COVID-19 pandemic, including the presence of the Delta variant, masking indoors, regardless of vaccination status, to slow the spread of COVID-19 in the Los Angeles County region;

**WHEREAS**, the City is presently subject to various state and local department health orders, which require indoor masks, and distancing;

**WHEREAS**, on November 2, 2021, the Los Angeles County Department of Public Health recorded 896 new COVID-19 cases, 17 new deaths, and 659 hospitalizations; and

**WHEREAS**, the City Council finds that the current situation with regard to COVID-19, and particularly the Delta variant, is causing, and will continue to cause, risks to the safety of persons within the City and finds that the City Council, all City subordinate bodies, and all city non-profit corporation Boards and their subordinate bodies may conduct their meetings with remote participation, in whole or in part, including the remote participation of one or more elected or appointed officials, in the manner authorized by Government Code § 54953(e), and such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in Government Code § 54953(e)(2).

**NOW, THEREFORE, THE CITY COUNCIL FOR THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council does hereby declare that the recitals set forth above are true and correct and are incorporated herein by reference.

**SECTION 2.** The City Council, all City subordinate bodies, and all city non-profit corporation Boards and their subordinate bodies may conduct their meetings in in whole or in part, including the remote participation of one or more elected or appointed officials, in the manner authorized by Government Code§ 54953(e), and such legislative bodies shall comply with to provide the public with access to the meetings as prescribed in Government Code§ 54953(e)(2).

**SECTION 3.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 9<sup>TH</sup> day of November 2021.

**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Al Rios, Mayor

**ATTESTED:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

APPROVED AS TO FORM:

By: Raul F. Salinas (AS)  
Raul F. Salinas, City Attorney

**CITY MANAGER'S OFFICE**

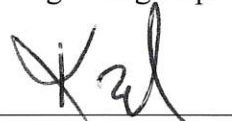
NOV 02 2021  
11:30 A.M.

## City of South Gate CITY COUNCIL


# AGENDA BILL

For the Regular Meeting of: November 9, 2021  
Originating Department: Administrative Services

Department Head: \_\_\_\_\_

  
Kingsley Okereke

Interim City Manager: \_\_\_\_\_

  
Chris Jeffers

**SUBJECT: AMENDMENT NO. 1 TO CONTRACT NO. 3218 WITH BANK OF THE WEST EXTENDING BANKING SERVICES**

**PURPOSE:** To extend the Professional Services Agreement with Bank of the West (“Bank”) to provide banking services to the City of South Gate for an additional one year.

**RECOMMENDED ACTIONS:** The City Council will consider:

- a. Approving Amendment No. 1 to Contract No. 3218, Professional Services Agreement with Bank of the West, extending banking services for the period November 9, 2021 through November 30, 2022, and
- b. Authorizing the Mayor to execute Amendment No. 1 in the form acceptable to the City Attorney.

**FISCAL IMPACT:** There will be no significant fiscal impact from this one-year extension of banking services with Bank of the West. The Bank is offering a .40% earnings credit rate (ECR) on the City deposits for the one-year extension coupled with some fee reductions as outlined below.

Description	Current	Proposed	Comments
Earnings Credit Rate (“ECR”)	0.55%	0.40%	Higher than LAIF rate of 0.21% as of Sept. 2021
Federal Reserve Requirement	10%	0%	Increases Avg monthly cash balance from 90% to 100% for ECR earning calculation
Electronic Deposit Services (“EDS”) Deposits	\$0.65	\$0.00	No fee for deposit of electronic check images (per deposit)
Electronic Deposit Services (Local) Deposits	\$0.05	\$0.00	No fee for deposit of electronic check images (per check)

**ANALYSIS:** Under the current market condition, the Bank is offering the City a very competitive ECR rate of .40%. The ECR is the rate that the City earns on average monthly cash balance in its checking account. The ECR earnings per the original contract are used to offset costs incurred by the Bank for the banking transactions and services provided to the City. In addition, with the 10% Federal Reserve Requirement waived, the 0.40% ECR would be



calculated based on 100% of the City's average monthly cash balance instead of 90%. The Bank is also eliminating Electronic Deposit Services (EDS) fees for deposit of digital checks, which averages \$3,500 in charges per year. With these adjustments to the ECR and some of the fees, it is anticipated that the fiscal impact from this one-year extension will be very minimal. Given the City's planned average monthly checking account balance, the ECR based earnings is projected to cover most of the City banking transaction fees over the year.

Also, the ECR rate of .40% is markedly higher than the Local Agency Investment Fund (LAIF) rate of .21% as of September 2021. The ECR is expected to be higher than LAIF's rate over the extension period, which negates the idea of putting more idle cash in LAIF and paying cash for the banking services.

**BACKGROUND:** On May 24, 2016, the City Council entered into an agreement with the Bank to provide banking services for a term of five years with an option to renew for up to five additional one-year periods.

During the past five years, the Bank has provided dedicated banking services to the City and professional customer services to Administrative Services staff. During the pandemic, the Bank also assisted the City with the implementation of two online payment portals to allow customers to make payments online for permits and other City payments as the City was limiting in-person transactions.

**ATTACHMENTS:** A. Proposed Amendment No. 1 to Contract No. 3218  
B. Exhibit 1 – Letter from Bank of the West  
C. Contract No. 3218 (available electronically due to size of document)

**AMENDMENT NO. 1 TO CONTRACT NO. 3218 EXTENDING  
AGREEMENT FOR BANKING SERVICES AN ADDITIONAL YEAR  
BETWEEN THE CITY OF SOUTH GATE AND BANK OF THE WEST**

This Amendment No. 1 to Contract No. 3218, for Professional Services for banking services ("Amendment No. 1"), is made and entered into on November 9, 2021, by and between the City of South Gate, a municipal corporation ("City"), and Bank of the West, a California corporation ("Consultant"). City and Consultant are sometimes hereinafter individually referred to as a "Party" and collectively as "Parties."

**RECITALS**

**WHEREAS**, City and Consultant have previously executed that certain Agreement for Professional Services dated August 25, 2016, Contract No. 3218 ("Agreement"), relating to banking services;

**WHEREAS**, the Agreement became effective on the date that the Consultant's accounts were opened, which was on November 9, 2016, and remained in effect for a period of five (5) years from said date unless otherwise expressly extended and agreed to by Parties or terminated by either Party; and

**WHEREAS**, City and Consultant desire to execute Amendment No. 1 to extend the services of the Consultant for the period from November 9, 2021 through and including November 30, 2022.

**NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:**

**1. MODIFICATIONS.**

- a. SCOPE OF SERVICES.** Consultant agrees to provide the services and perform the tasks set forth in the Agreement attached as Attachment C and made part of this agreement. The Scope of Work may be amended from time to time by way of a written directive from City.
- b. TERM OF AGREEMENT.** Parties agree to extend Agreement for an additional year from November 9, 2021 through and including November 30, 2022, unless otherwise expressly extended and agreed to by both Parties or terminated by either Party as provided herein.
- c. COMPENSATION FOR SERVICES.** City shall pay Consultant for its professional services rendered and costs incurred pursuant to this Amendment No. 1 in accordance with Consultant's Schedule of Fees with changes specified in Exhibit 1. No additional compensation shall be paid for any other expenses incurred unless first approved by the Director of Administrative Services.

**2. CITY AGENT.**

The Director of Administrative Services, for the purposes of this Agreement, is the agent

for City. Whenever approval or authorization is required, Consultant understands that the Director of Administrative Services has the authority to provide that approval or authorization.

**3. EFFECT OF AMENDMENT.**

Except as expressly amended herein, all other terms and conditions of the Agreement shall remain in full force and effect. The Agreement shall remain unchanged during the term of the Agreement as modified in Section 1 above. Furthermore, the City reserves the right to augment or reduced the scope of work as City deems necessary.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Amendment to be executed and attested by their respective officers hereunto duly authorized.

**CITY OF SOUTH GATE:**


By: \_\_\_\_\_  
Al Rios, Mayor

Dated: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVE AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney

**CONSULTANT: THE PUN GROUP, LLP**

By: \_\_\_\_\_  
Kenneth H. Pun, Managing Partner

Dated: \_\_\_\_\_

# EXHIBIT 1



October 20, 2021

Kim Sao, Deputy Director of Administrative Services/Finance  
City of South Gate  
8650 California Avenue  
South Gate, CA 90280

Dear Ms. Sao,

Bank of the West is excited to hear that the City of South Gate is willing to extend its banking contract. Given the current market dynamics, for an extension of the banking contract, the City's Earnings Credit Rate (ECR) will change to 0.40%. The Bank is also willing to remove fees associated with this extension. These specific fees are: removal of EDS/ICS Deposit fees, removal of EDS Items (Local) fees, and removal of the 10% Federal Reserve Requirement. Based on January 1, 2021 Analysis Statement, the City will have no impact to its fees, and therefore the net result to the City is no change to its banking fees.

The City of South Gate's current balances will be sufficient to continue to offset the fees incurred. Continuing to result in no net hard fees to the City. We look forward to continuing to be the banking partner of the City of South Gate and thank you for your partnership.

**In the event other parties have questions or concerns regarding this information, please contact Matthew Kirschenman at (213) 972-0646.**

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthew Kirschenman".

Matthew Kirschenman  
Senior Lead Relationship Manager, Director  
[matthew.kirschenman@bankofthewest.com](mailto:matthew.kirschenman@bankofthewest.com)

NOV 02 2021

10:00 pm

# City of South Gate

## CITY COUNCIL

# AGENDA BILL

For the Regular Meeting of: November 9, 2021

Originating Department: Public Works

Department Director: \_\_\_\_\_

  
Arturo Cervantes

Interim City Manager: \_\_\_\_\_

  
Chris Jeffers

**SUBJECT: AGREEMENT WITH HADRONEX, INC., DBA SMARTCOVER SYSTEMS, INC., FOR THE MAINTENANCE AND OPERATION OF THE CITY'S SANITARY SEWER MONITORING SYSTEM**

**PURPOSE:** The City's sanitary sewer system is equipped with a SmartCover System as a preventative measure for sanitary sewer overflows (SSOs). The system is currently maintained and operated through an agreement with the manufacturer (Hadronex, Inc.) which is set to expire on December 31, 2021. Staff recommends awarding a new agreement for a three-year term, on a sole source basis.

**RECOMMENDED ACTIONS:** The City Council will consider:

- a. Approving an Agreement with Hadronex, Inc., DBA SmartCover Systems, Inc., for monitoring, maintenance, and operation of the SmartCover System for a three-year term and a not-to-exceed the amount of \$114,468, or \$38,156 annually; and
- b. Authorize the Mayor to execute the Agreement in a form acceptable to the City Attorney.

**FISCAL IMPACT:** There is no fiscal impact to the General Fund. The Agreement is in the amount of \$114,468. First year services will be funded with \$38,156 in Sewer Funds budgeted in Account No. 412-732-52-6701. The Agreement will be funded as summarized below.

Sewer Funds	FY 2021/22 (Year 1)	FY 2022/23 (Year 2)	FY 2023/24 (Year 3)	Total Amount
Account No. 412-732-52-6701	\$38,156	\$38,156	\$38,156	\$114,468

**ANALYSIS:** The Agreement is proposed to be sole sourced to Hadronex, Inc., DBA SmartCover® Systems ("Hadronex"). Hadronex is the manufacturer of the SmartCover System and the only vendor in the industry able to operate it. They are also the only vendor able to communicate remotely with the system.

The South Gate Municipal Code Section 1.54.510 allows sole sourcing of contracts. Specifically, "Section 1.54.510 Exemptions from Formal and Informal Bidding Procedures" provides criteria under which sole-source can be considered and Hadronex fits those criteria.

**BACKGROUND:** The City's sewer system contains more than 120 miles of sewer pipeline and over 2,400 manholes. More than five million gallons of sewage is transported by the City's sewer system daily, and monitoring flow levels on a continuous basis is essential to minimizing SSOs.

The sewer system is equipped with a SmartCover System to monitor sewer flows on a continuous basis. The SmartCover System is hardware and software technology that provides real-time



notification when sewer flows are unusually high. Currently, flows are monitored at 25 priority manhole locations. The system has been instrumental in preventing SSOs. During the past three years, no SSOs have occurred and approximately 90 were prevented.

Hadronex currently maintains and operates the system through Contract No. 3489. It provides for three years of service from January 1, 2019 to December 31, 2021. A new agreement is needed to continue to maintain and operate the SmartCover System. The following are highlights of the proposed Agreement: (a) a three-year term, from January 1, 2022 to December 31, 2024, (b) monitoring and operation of the SmartCover System, and (c) maintenance which includes replacement parts, communications network access, web-site service, software upgrades, technical support, field service, and a one-year warranty.

Monitoring and operation of the SmartCover System includes wireless communications with City staff, technical telephone support, alarm processing, website access and maintenance, after hours technical support, standard reports, custom reports, graphic display, management tools and software upgrades.

Hadronex is located in Escondido, California. With over 20 employees, the company has strong technical expertise, provides great customer services, and has been responsive to the City's needs.

The City's SmartCover System is equipped with 25 monitoring devices. The Public Works Department has plans to expand the system to monitor five new locations, now considered priority. The subject agreement provides for the maintenance of the expanded system.

An SSO is a condition in which untreated sewage is discharged into the environment (streets and private property). SSOs can harm the environment and result in fines from the Regional Water Quality Control Board. The SmartCover System has been essential to achieving compliance with state regulations, which require that the number of SSOs be kept to a minimum.

- ATTACHMENTS:**
- A. Proposed Agreement
  - B. Renewal Quote
  - C. Sewer Monitoring Station Location Map

DT:yp/lc

**AGREEMENT BETWEEN THE CITY OF SOUTH GATE, CALIFORNIA AND  
HADRONEX, INC., DBA SMARTCOVER® SYSTEMS FOR THE  
MAINTENANCE OF SMARTCOVER®**

This AGREEMENT (hereinafter the “AGREEMENT”) is made and entered into as of November 9<sup>th</sup>, 2021, by and between the CITY OF SOUTH GATE, a municipal corporation, located in Los Angeles County, State of California, (hereinafter called the “CITY”) and Hadronex, Inc., DBA SMARTCOVER® SYSTEMS a Delaware corporation with its headquarters at 2110 Enterprise Street, Escondido, CA 92029 (hereinafter called the “CONTRACTOR”).

**RECITALS**

**WHEREAS**, the CITY is responsible for protection of public health and the environment, including but not limited to providing for the maintenance of the CITY’s sewer system;

**WHEREAS**, the CITY is responsible for receiving and acting upon all alerts, advisories and alarms sent from monitoring devices to protect the city and its residents;

**WHEREAS**, the CONTRACTOR has specialized knowledge in the installation and maintenance of monitoring devices such as SmartCover® Units that sense when a sewer overflow is about to happen; and

**WHEREAS**, the CONTRACTOR provides all replacement parts, communications network access, web-site service, software upgrades, technical support, and as-needed field service for the SmartCover® Units.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants and conditions contained in this AGREEMENT, and for other good and valuable consideration, the CITY and CONTRACTOR agree as follows:

**1. DEFINITIONS**

- a. Active System Monitoring - means two-way unlimited wireless digital communications to and from the SmartCover® Units and all of the other services outlined in “Appendix A” attached hereto.
- b. Antenna - means that part of the SmartCover® Unit that provides the means for the two-way communication between the SmartCover® Unit and a satellite or terrestrial wireless data system.
- c. E-Box - means that part of the SmartCover® Unit that provides the communication and electronic functions of the SmartCover® Unit.
- d. PowerPack - means the power source part of the SmartCover® Unit.
- e. DSM - means that part of the SmartCover® Unit that measures water level via

ultrasonic measurement.

- f. SmartCover® Unit - means the SmartCover® product, including EBox, PowerPack, mounting bracket, Antenna and Antenna mount, as installed for proper operation at a customer location, which, by way of example, may include a manhole, lift station, hatch, or other entrance to an enclosed or partially enclosed space.

## **OPERATIVE PROVISIONS - SCOPE OF SERVICES**

### **2. CONTRACTOR RESPONSIBILITIES:**

- a. Be responsible for the maintenance of 30 SmartCover® Units that are currently installed in the manholes Citywide.
- b. Provide all replacement parts, communications network access, web-site service, technical support, maintain Active System Monitoring and field service for all installed SmartCover® Units except as indicated under Section 3, CITY RESPONSIBILITIES, below; and
- c. Monitor the PowerPacks and provide the PowerPacks, DSM, Antenna and EBox as necessary for replacement; and
- d. Monitor the condition and status of installed EBoxes and provide the EBoxes as necessary for replacement; The SmartCover® System™ monitors itself and reports status to the website every twelve (12) hours; and
- e. Train and certify CITY personnel to enable CITY field personnel to perform standard field repairs, including, but not limited to, EBox and PowerPack replacements; With two (2) weeks' notice, the contractor will train City personnel by WebEx, and/or in person at off-site location or at the CITY location; and
- f. Provide replacement parts to the City for rapid field service within five (5) business days of notification by the CITY. Parts will not be kept on hand at the CITY location; and
- g. Provide software updates and improvements as they become available, at no additional cost; and
- h. Notify the CITY that a SmartCover® site requires service with electronic alerts such as Communication failure alerts. SmartCovers® automatically send alerts via email to the designated user configured to receive alerts, once after a 24-hour gap in communication. (Battery alert) if PowerPack™ voltage falls below threshold, an alert is emailed to customers configured to receive alerts. (Sensor alert) Sensor data is reviewed periodically with each 12-hour status report and checked for status. If a faulty sensor is detected, an alert is emailed to customers configured to receive alerts. Surcharge Alarms are the responsibility of the City to inspect; and



- i. Provide technical support, telephonically, through email, and on-site as required. Technical support is available during normal business hours from 7:00 AM to 5:00 PM. Emergency support is available only under emergency conditions through cell phone contacts with CONTRACTOR's technical personnel; and
- j. Provide field service to CITY upon notification by the CITY at no additional cost for on-site service and the CONTRACTOR will receive no compensation for travel time in connection therewith; provided Labor Warranty option is paid in full; and
- k. Notify the CITY if a communications network has been down for more than three (3) hours; and
- l. Support CITY personnel in the preparation of presentations and papers to local management, CITY Departments, the CITY's Planning Commission, its CITY Council, regional authorities, and regional and national trade organizations, as directed from time to time by the CITY's Director of Public Works; and
- m. Perform all other services identified in Appendix A attached hereto and incorporated by this reference herein.

### 3. CITY RESPONSIBILITIES

- a. Be responsible for parts that are damaged or fail due to mishandling or unusual treatment; and
- b. Provide, at the request of CONTRACTOR, traffic control or other CITY staff support to assist and/or perform CONTRACTOR field service in a timely manner; and
- c. Support CONTRACTOR with documentation in the preparation or publication of technical or trade papers or presentations to City Officials upon CONTRACTOR request.

### 4. PROVISION OF SERVICES – COMPENSATION

For the compensation set forth here, CONTRACTOR shall maintain up to **thirty (30)** SmartCover® Units and related communication systems in good working condition and conduct necessary repair/replacement at its own expense. The Maintenance Fees paid by the City are for the period January 1, 2022 to December 31, 2024, as follows:

- a. The total monthly amount paid to the Contractor shall be \$3,179.67. which equates to: \$1,271.87 per year per unit, (based on 30 units) or \$105.99 per month per unit, (based on 30 units)
- b. The total amount to be paid to the Contractor during the term of this Agreement shall not exceed \$38,156.10 per year based on the maintenance of 30 SmartCover® Units

for twelve (12) months. This shall be paid in a single payment each year. The City shall be invoiced by December 1 of each year. Payment shall be due within 45 days of receipt of the invoice.

- c. The total amount to be paid to the Contractor during the term of this Agreement shall not exceed \$114,468.00 over three (3) years based on the maintenance of 30 SmartCover® Units over 3 years.

## **5. WARRANTY**

CONTRACTOR warrants that for a period of one (1) year from the date of installation of a SmartCover® Unit, CONTRACTOR will repair or replace any and all defects which exist or occur within such period to the extent they result from faulty design, manufacture or installation by CONTRACTOR. CITY ACKNOWLEDGES AND AGREES THAT THE WARRANTY SET FORTH ABOVE IN THIS SECTION CONSTITUTES THE SOLE AND EXCLUSIVE WARRANTY OF CONTRACTOR IN CONNECTION WITH THE SERVICES HEREUNDER. THE PARTIES EXPRESSLY DISCLAIM, AND CITY RELEASES CONTRACTOR FROM, ALL WARRANTIES WHETHER EXPRESS, IMPLIED, STATUTORY, AND ALL OBLIGATIONS AND REPRESENTATIONS AS TO PERFORMANCE, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, provided that the PowerPack™, Extended Parts, and Labor Warranties are paid in full. For new system purchases, the first-year warranties are covered.

## **6. DEFAULT/LIQUIDATED DAMAGES/TERMINATION**

The failure of CONTRACTOR to perform maintenance or monitoring of the SmartCover® Units in accordance with Section 1, that directly results in the overflow of any sewer which is covered by this AGREEMENT (other than due to an event of Force Majeure as discussed in Section 15-i below or as a direct result of the CITY's failure to perform its obligations under Sections 3 and 4), shall constitute an event of default by CONTRACTOR. In that event, the CITY shall have the right to terminate this AGREEMENT, and to exercise all other rights available to it hereunder or at law. In the event of termination under this section, CONTRACTOR shall reimburse the CITY for the pro rata portion of the Maintenance Fees for the period following termination, but such reimbursement shall not limit the City's other remedies.

## **7. MUTUAL INDEMNIFICATION & HOLD HARMLESS**

Notwithstanding Section 5, above, each party (the "INDEMNITOR") hereto agrees to defend, indemnify and hold harmless the other party, its officers, directors, shareholders, members, employees (collectively "INDEMNITEE") from and against any and all administrative and judicial actions and rulings, claims, causes of action, demands and liability (collectively "CLAIMS") including, but not limited to, damages, costs, expenses, assessments, penalties, fines, losses, judgments and reasonable

attorney's fees that the INDEMNITEE may suffer or incur that arise from this the INDEMNITOR's breach of AGREEMENT. The indemnifications in this section specifically include, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any governmental authority. This Section shall survive the termination or expiration of this Agreement.

## **8. INSURANCE REQUIRED**

CONTRACTOR shall maintain in-force the types and amounts set forth below, and meeting the requirements set forth below in this Section 8 and Section 9:

- a. **Comprehensive General Liability:** Comprehensive General Liability Insurance, including coverage for premises, products and completed operations, independent contractors, personal injury and contractual obligations with combined single limits of coverage of at least \$1,000,000 per occurrence, \$2,000,000 aggregate. This insurance must include (in the policy itself or by endorsement) a Waiver of the Right of Subrogation for General Liability against the City of South Gate.
- b. **Business Automobile Liability:** Automobile Liability Insurance, including owned, non-owned and hired vehicles, in and amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant.
- c. **Workers' Compensation:** Workers' Compensation Insurance as required by California law. This insurance must include (in the policy itself or by endorsement) a Waiver of the Right of Subrogation for General Liability against the City of South Gate.
- d. **Additional Insured Endorsement:** All policies must include an Additional Insured Endorsement naming the City of South Gate and its agents as an additional insured on the above-captioned insurance coverage with respect to the City's and its agent's interests under this agreement. This is to be complied with by presenting an appropriate insurance policy (at no additional cost) to the CITY prior to award of contract and commencement of work under this AGREEMENT; and by presenting to the CITY an endorsement to the policy, signed by an officer of the insurance company within thirty (30) days of the inception date of this AGREEMENT.
- e. **Restrictions on Cancellation:** All policies of insurance shall provide for a minimum of thirty (30) days written notice to the CITY of any change to or cancellation of the policy.
- f. **Form of Policies:** All insurance policies required hereunder shall be in a form, and written through, companies acceptable to the CITY; and shall include

those endorsements which are necessary to extend coverage which is appropriate to the nature of this AGREEMENT.

## **9. CERTIFICATES OF INSURANCE**

CONTRACTOR shall furnish to CITY evidence of any insurance required by this AGREEMENT. A Certificate of Insurance from an insurer admitted to do business in the State of California will be provided by CONTRACTOR, indicating that the respective policy(s) meets the following requirements:

- a. The CITY, its officers, employees, and agents shall be named (to the extent those agents are identified by name) as additional insured on the General Liability Insurance
- b. Insurance shall not be canceled or terminated without 30 days written notice to CITY;
- c. General Liability shall be primary and any insurance held by CITY for its own protection shall be excess and shall be effective only upon exhaustion of Contractor's insurance;
- d. Insurance shall be maintained for the duration of the AGREEMENTS including any period extended beyond the expiration date of this AGREEMENT required to complete performance as stipulated in this AGREEMENT and all amendments thereto.

## **10. ENTIRE AGREEMENT**

This AGREEMENT supersedes any and all agreements, either oral or in writing, between the parties with respect to the subject matter of this AGREEMENT, and contains all of the covenants and agreements between the parties. No verbal agreements or conversation with any officer, agent or employee of the CITY or CONTRACTOR, before, during, or after the execution of the AGREEMENT, shall affect or modify any of the terms or obligations of this AGREEMENT. No letter, fax, e-mail, text, or other written or electronic communication passing between the parties hereto covering any matter during the term of this AGREEMENT, or any plans or periods thereafter, shall be deemed a part of this AGREEMENT, nor shall it have the effect of modifying or adding to this AGREEMENT, excepted as to an amendment to this AGREEMENT signed by both parties in accordance with Section 11 below.

## **11. MODIFICATION**

This AGREEMENT is given and accepted upon the express condition that it cannot in any manner be changed, altered, varied, or modified without the written consent of the parties hereto, and no modification of this AGREEMENT shall be binding upon the

parties unless such written consent is obtained. Additionally, there may be no modification of this AGREEMENT except in writing, executed with the same formalities as this instrument.

## **12. TERM**

The term of this AGREEMENT shall be for the period commencing on January 1, 2022 and ending at midnight on December 31, 2024.

## **13. INDEPENDENT CONTRACTOR**

CONTRACTOR is associated with CITY only for the purposes and to the extent set forth in this AGREEMENT, and with respect to the performance of the services delineated in Section 1 of this AGREEMENT. CONTRACTOR is and shall be an independent contractor and, subject to the terms of this AGREEMENT, shall have the sole right to supervise, manage, operate, control and direct the performance of the detail's incident to its duties under this AGREEMENT and APPENDIX A attached thereto. Nothing contained in this AGREEMENT shall be deemed or construed to create a partnership or joint venture, to create the relationships of an employer-employee or principal-agent or to otherwise create any liability whatsoever for either party with respect to the indebtedness, liabilities, and obligations of the other party. CONTRACTOR shall be solely responsible for (and CITY shall have no obligation with respect to) payment of all Federal Income, FICA, and other state and federal taxes owed or claimed to be owed by Contractor, arising out of CONTRACTOR'S association with CITY pursuant to this AGREEMENT, and CONTRACTOR shall indemnify and hold CITY harmless from and against, and shall defend CITY against, any and all losses, damages, claims, costs, penalties, liabilities and expenses otherwise with respect to any such taxes. CITY reserves the right, for good cause, to require CONTRACTOR to exclude any employee of CONTRACTOR from performing services on CITY'S premises or any public street, sidewalk or other right-of-way within the City.

## **14. NOTICES**

Any notices, bills, invoices, or reports required by this AGREEMENT shall be deemed received on (a) the day of delivery if delivered by hand during regular business hours or by facsimile before or during regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid, to the addresses heretofore set forth in the AGREEMENT, or to such other addresses as the parties may, from time to time, designate in writing pursuant to the provisions of this section:

**CITY**

Arturo Cervantes, P.E.  
Assistant City Manager/Public Works Director  
Public Works Department  
8650 California Avenue  
South Gate, California 90280

**WITH A COURTESY COPY TO:**

Carmen Avalos  
City Clerk  
8650 California Avenue,  
South Gate, California 90280

**CONTRACTOR**

Hadronex, Inc. dba SmartCover@Systems™  
Attn: President/Chief Executive Officer  
2110 Enterprise Street  
Escondido, CA 92029

**15. MISCELLANEOUS PROVISIONS**

- a. Binding Nature. This AGREEMENT shall not be binding upon the parties until it is approved by the City Council of the CITY and executed by both parties. This AGREEMENT after properly approved and executed by the parties, shall inure to the benefit of CITY and CONTRACTOR and shall be binding upon CITY and CONTRACTOR and their respective successors and assigns, subject to the limitations set forth in Section 15-d below entitled "Prohibition Against Assignment."
- b. Invalidity and Severability. Each provision of this AGREEMENT is valid and enforceable to the fullest extent permitted by law. If any provision of this AGREEMENT (or the application of such provision to any person or circumstance) is or becomes invalid or unenforceable, the remainder of this AGREEMENT, and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, are not affected by such invalidity or unenforceability.
- c. Terminology and Definitions. Whenever the context so requires in this AGREEMENT, all words used in the singular may include the plural (and vice versa) and the word "person" includes a natural person, a corporation, a firm, a partnership, a joint venture, a trust, an estate or any other entity. The terms "includes" and "including" do not imply any limitation. For purposes of this AGREEMENT, the term "day" means any calendar day and the term "business day" means any calendar day other than a Saturday, Sunday or any other day designated as a holiday under California Government Code Sections 6700-6701. Any act permitted or required to be performed under this AGREEMENT

upon a particular day which is not a business day may be performed on the next business day with the same effect as if it had been performed upon the day appointed.

- d. **Prohibition Against Assignment.** It is hereby agreed by the parties that there will be no assignment or transfer of this AGREEMENT or any interest in this AGREEMENT without the written AGREEMENT of both parties. In the event CONTRACTOR requests an assignment or transfer, CONTRACTOR shall first pay the CITY the sum of one thousand dollars (\$1,000.00) to offset a portion of the CITY'S costs incurred in evaluating the prospective assignee or transferee. Payment of such sum does not guaranty that the CITY will approve the proposed assignment or transfer
- e. **Jurisdiction.** Any and all suits for any and every breach of this AGREEMENT shall be instituted and maintained in any court of competent jurisdiction in the County of Los Angeles, State of California.
- f. **Law of California.** This AGREEMENT shall be governed by and construed in accordance with the laws of the State of California.
- g. **Headings.** The headings used herein are for convenience of reference only and shall not constitute a part hereof or effect the construction or interpretation of this AGREEMENT.
- h. **Waiver.** No failure on the part of any party to exercise any of its rights hereunder, and no delay in exercising any such right, and no course of dealing with respect to any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or in the exercise of any other right. The remedies provided in this AGREEMENT are cumulative and non-exclusive of any remedies provided by law or in equity, except as expressly set forth herein.
- i. **Force Majeure.** CONTRACTOR shall not be liable for any failure or delay in the performance of its obligations under this AGREEMENT if and to the extent such failure or delay is caused directly by an event of Force Majeure. For purposes of this AGREEMENT, "an event of Force Majeure" shall mean any events or circumstances beyond the reasonable control of the CONTRACTOR, including, without limitation the following:
  - i. those caused by acts of God (but specifically EXCLUDING periods of inclement weather, periods of inclement weather beyond the reasonable control of the CONTRACTOR which prevents the performance of the work);
  - ii. Contractor's inability to perform its obligations due to material shortages, shutting down of businesses providing wireless communications or any loss of satellite communications, terrorism, governmental acts, restrictions, or regulations, any civil disorders, labor

disturbances, labor strikes, boycotts, lockouts, or similar obstructive actions by any person or persons beyond the reasonable control of the CONTRACTOR; and

- iii. Any other unforeseen event beyond the reasonable control of the CONTRACTOR.
  
- j. Counterparts. This AGREEMENT may be executed in any number of, and by the different parties hereto on, separate counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.
  
- k. Incorporation of Recitals, Definitions and Appendix. The Recitals and Definitions preceding Section 1 of this AGREEMENT, and the Appendix attached on the page following the signatures to this AGREEMENT, are incorporated into this AGREEMENT and are a part of this AGREEMENT as though fully set forth herein.

[Remainder of page left blank intentionally]



IN WITNESS WHEREOF, the parties here to have executed and entered into this AGREEMENT as of the date first set forth above.

**"CITY"**  
**CITY OF SOUTH GATE**


By: \_\_\_\_\_  
Al Rios, Mayor

Dated: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney

**"CONTRACTOR"**  
**HADRONEX, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

## APPENDIX A

Active System Monitoring includes the following services at no additional charge:

1. **Wireless Communications** - Access to a two-way wireless network for communications to and from the SmartCover® Remote Field Units (RFU).
2. **Technical Telephone Support** - Provide real-time telephonic support for technical and operational questions, from 7am to 5 pm Pacific Time.
3. **Alarm Processing** - Maintain and organize the infrastructure of the alarm and alert contact system.
4. **Web site Access and Maintenance** - Maintain the secure servers on which the CITY's SmartCover website resides. Provide free upgrades to the web site as they become available.
5. **After Hours Technical Support** - Provide technical support provided on an off-hours as-needed, pre-arranged basis.
6. **Standard Reports** - Support in the preparation and generation of SmartCover® data and data analysis reports for CITY management or regulators on an as-needed basis.
7. **Custom Reports** - Support in the generation of more detailed data and analytical reports than generally available on the web site can be provided upon request. For example, an inflow and infiltration report overlaying rain events with water level data.
8. **Graphic Display** - Provide, maintain and upgrade a standard Graphical User Interface available on the CITY's SmartCover website.
9. **Management Tools** - Provide as part of the web site, management tools for tracking and maintaining the SmartCover RFU and system as a whole.
10. **Software Upgrades** - Provide upgraded SmartCover® processing/communication software for units in the field as it becomes available
11. **General Product and RFU Improvement** - Provide product improvements that are backwards compatible to existing RFU as they become available.
12. **Management Oversight** - Monitor the proper operation of all of the units in the field, including the internal health of a unit, the battery voltage, the radio signal strength and the communication to and from the units in the field. Coordinate the appropriate service to repair any components in the field with the CITY.

SmartCover Systems, Inc.  
 2110 Enterprise Street  
 Escondido, CA 92029  
 Phone: 760-291-1980  
 Fax: 760-291-1982



Hadronex, Inc. dba SmartCover® Systems™

Remit PO to orders@smartcoversystems.com or  
 return this quote signed with PO number.

## Renewal Quotation - 3 years

Bill To:
City of South Gate Public Works Dept 8650 California Ave South Gate, CA 90280

Date	P.O. No.	Quote Number
10/6/2021		5259

Item	Description	Qty	Rate	Total
CP-0-3	Signed agreement required for special pricing This total reflects a 7.5% discount 3 Year plan- 1/1/2022-12/31/2024 (36 Months) Comprehensive Package - 3 years Included ASM, Power, Parts, onsite Labor Locations below 1427    1428    1429 1430    1431    1432 1433    1434    1435 1436    1437    1438 1439    1440    1441 1442    1443    1444 1445    1446    1447 1448    1449    1450 2886    7023    7024 7025    7026    7027	3	41250.00	123,750.00
ASM-RD-3R	Renewal: SmartRain™ - Continued rain data service for one site.	2	0.00	0.00

Terms and Conditions:  
 1. Payment due on or before renewal date expiration.  
 2. A service charge of 1.5% per month may be added to balances unpaid 30 days after renewal date.  
 3. Accounts with past due balances may be subject to service suspension.  
 4. Services may subject to prevailing tax.  
 5. Quote pricing valid for 30 days.

**We appreciate your business!**

Signature for Approval

<b>Subtotal</b>
<b>Sales Tax (10.25%)</b>
<b>Total</b>

SmartCover Systems, Inc.  
 2110 Enterprise Street  
 Escondido, CA 92029  
 Phone: 760-291-1980  
 Fax: 760-291-1982



Hadronex, Inc. dba SmartCover® Systems™

Remit PO to orders@smartcoversystems.com or  
 return this quote signed with PO number.

## Renewal Quotation - 3 years

Bill To:
City of South Gate Public Works Dept 8650 California Ave South Gate, CA 90280

Date	P.O. No.	Quote Number
10/6/2021		5259

Item	Description	Qty	Rate	Total
ASM Service Disc...	5386 Hollydale Park Rain 5385 South Gate Rain		-9282.00	-9,282.00

Terms and Conditions:  
 1. Payment due on or before renewal date expiration.  
 2. A service charge of 1.5% per month may be added to balances unpaid 30 days after renewal date.  
 3. Accounts with past due balances may be subject to service suspension.  
 4. Services may subject to prevailing tax.  
 5. Quote pricing valid for 30 days.

**We appreciate your business!**

Signature for Approval \_\_\_\_\_

<b>Subtotal</b>	\$114,468.00
<b>Sales Tax (10.25%)</b>	\$0.00
<b>Total</b>	\$114,468.00



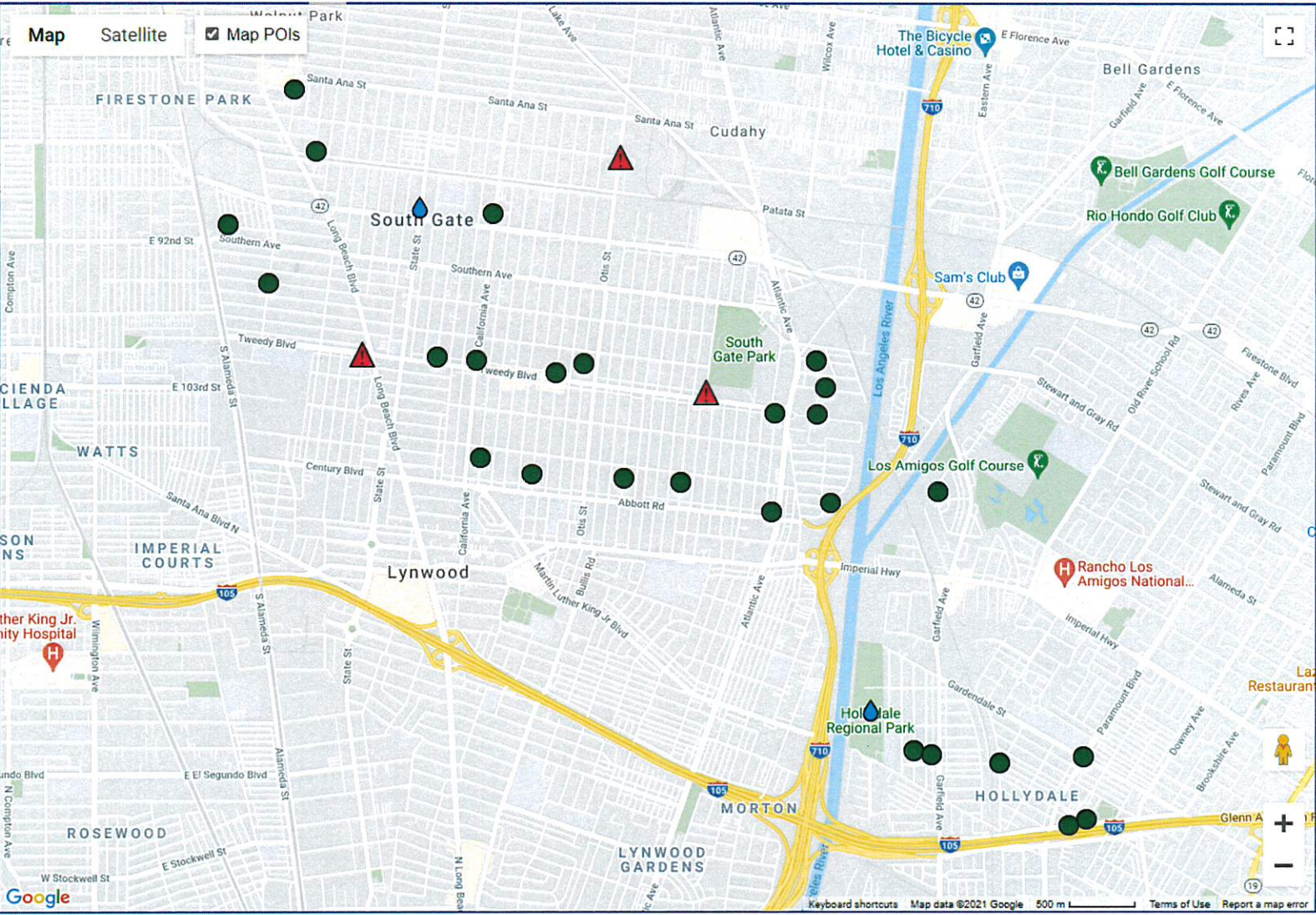
All Sensors (31)  
 Alerts (0)  
 Alarms (3) [Ack All](#)  
 Alarms Disabled (0)  
 Archived (4)

**APPLICATIONS**  
 Collection Level (29)  
 SmartRain™ (2)  
 Stock Location (1)  
 All  
[Show All Applications](#)

**LOCATIONS** [Icon Legend](#)  
 Search Locations

- 10331 Karmont
- 10427 Annetta
- 10438 Alexander
- 10439 San Antonio
- 10521 San Luis Avenue
- 12000 Oklahoma
- 5150 McCallum Avenue
- 5183 Wood Avenue
- 8476 Beachwood and Independence
- 9733 Mallison Avenue
- 9829 Hildreth
- 9925 Pinehurst
- Abbott Ave and West Atlantic (alley)
- Blumont and Adella
- California North of Tweedy
- California St (Iglesia Bautista)
- Garfield and North Main Alley
- Glenwood Pl and Calden Ave East Alley
- Golden and Orizaba
- Industrial and Main
- Otis and Liberty
- Paramount and Gardendale
- San Miguel and Tweedy
- Seville Ave and Palm Place
- Somerset Ranch Rd
- Truba and Ohio
- Tweedy and Capistrano
- Tweedy blvd and Legacy In (5225 High school)
- Victoria & Tweedy
- Hollydale Park Rain
- South Gate Rain

javascript:void(null);





# City of South Gate

CITY COUNCIL

## AGENDA BILL

For the Regular Meeting of: November 9, 2021

Originating Department: Police

Department Director: Dan Arakawa Interim City Manager: Chris Jeffers  
Darren Arakawa

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**SUBJECT: PURCHASE ORDER FOR RENEWAL OF SOFTWARE MAINTENANCE AND SUPPORT SERVICES BY PULSIAM FOR THE POLICE DEPARTMENT**

**PURPOSE:** To renew the existing maintenance and support services agreement with Pulsiam for the Computer Aided Dispatch (“CAD”) and Records Management Systems (“RMS”) for the Police Department.

**RECOMMENDED ACTIONS:** The City Council will consider authorizing the issuance of a Purchase Order with Pulsiam to renew the Software Maintenance and Support Services for Fiscal Year 2021/2022 for the Police Department in the amount of \$111,520.65.

**FISCAL IMPACT:** Funds for these services, in the amount of \$112,000, were included in the Fiscal Year 2020/21 Municipal Budget in Account Number 100-503-21-6730.

**ANALYSIS:** Pulsiam is the sole source proprietary software service provider which does not require bidding and complies with City purchasing guidelines.

**BACKGROUND:** Since 1999, the Police Department has contracted with Pulsiam to provide 24-hour support for its Computer Aided Dispatch (CAD) and Records Management Systems (RMS). The CAD and RMS systems are the foundation of information that enables the Police Department to receive 9-1-1 calls in the dispatch center and generate calls for service that are sent electronically to police officers in the field. The system is also an integrated database for the processing and storage of law enforcement information, including arrest and booking reports.

The CAD and RMS system is an integrated system designed specifically for law enforcement. CAD is a real-time system which automatically verifies addresses and locations, tracks and manages incoming calls, prioritizes calls for the field, and tracks on-duty personnel. RMS provides reporting and analysis capabilities for investigations and occurrence analysis and generates statistics for Uniform Crime Reporting to the State and Federal Government. Mobile Data and eReporting modules allow officers access to dispatch information in the field, the ability to access the secure law enforcement network, and create crime and arrest reports. Together, these modules form the core of Police Department operations and are essential for daily functioning of the department. Maintenance on this overall software system is necessary to keep up with modifications, technology issues, changes in existing law, and other constantly evolving mandates to law enforcement.

**ATTACHMENT:** Pulsiam Invoice No. 7553



16030 Ventura Blvd. Suite 250  
 Encino, CA 91436  
 (310) 282-9919 (310) 282-9929 (Fax)

DATE	9/22/2021
INVOICE NO.	7553
TERMS	Net 30
P.O./CUST REF.	
HSI TASK	72371

<b>BILL TO</b>
City of South Gate Police Department Attn: Technical Service Manager 8620 California Avenue South Gate, CA 90280-3073

MAINTENANCE PROVIDED	QTY	UNIT PRICE	TOTAL
SafetyNet Maintenance for the period 11/01/2021- 10/31/2022			
SafetyNet CAD Server	1	14,352.51	14,352.51
SafetyNet CAD Full Access User	3	2,870.50	8,611.50
SafetyNet CAD Read Only User	2	130.48	260.96
SafetyNet CAD E911 Interface Server	1	2,348.60	2,348.60
SafetyNet CAD E911 Interface Full Access User	1	234.86	234.86
SafetyNet CAD Message Switch Interface Server	1	4,697.18	4,697.18
SafetyNet CAD Message Switch Interface Full Access User	2	234.86	469.72
SafetyNet CAD Mapping Interface Server	1	2,348.60	2,348.60
SafetyNet CAD Mapping Interface Client	2	234.86	469.72
SafetyNet CAD Website	1	3,914.32	3,914.32
SafetyNet eReporting Server	1	1,857.09	1,857.09
SafetyNet eReporting Client	60	95.68	5,740.80
SafetyNet Informer **Up to 5 concurrent users**	1	1,311.27	1,311.27
SafetyNet Mobile Server	1	8,611.51	8,611.51
SafetyNet Mobile Client (Win32)	32	182.68	5,845.76
SafetyNet Windows Client	30	71.76	2,152.80
SafetyNet RMS Server	1	11,742.96	11,742.96
SafetyNet RMS Full Access User	10	1,435.25	14,352.50
SafetyNet RMS Read Only User	15	130.48	1,957.20
SafetyNet RMS Mapping Server	1	2,348.60	2,348.60
SafetyNet RMS Mapping Client	1	234.86	234.86
SafetyNet RMS Website	1	2,609.54	2,609.54
SafetyNet Digital Mugshot Interface Server	1	2,609.54	2,609.54
SafetyNet Digital Mugshot Interface Capture Client	4	287.05	1,148.20
SafetyNet Live Scan Import Interface Server	1	1,304.78	1,304.78
SafetyNet Live Scan Export Interface Server	1	1,304.78	1,304.78

Thank you for your business.

**Total**



16030 Ventura Blvd. Suite 250  
 Encino, CA 91436  
 (310) 282-9919 (310) 282-9929 (Fax)

DATE	9/22/2021
INVOICE NO.	7553
TERMS	Net 30
P.O./CUST REF.	
HSI TASK	72371

<b>BILL TO</b>
City of South Gate Police Department Attn: Technical Service Manager 8620 California Avenue South Gate, CA 90280-3073

MAINTENANCE PROVIDED	QTY	UNIT PRICE	TOTAL
SafetyNet Live Scan Interface NIST Formatter Server	1	521.91	521.91
SafetyNet Web Services	1	1,304.78	1,304.78
SafetyNet Conference without lodging (per attendee)	1	978.58	978.58
Universe Server License	34	117.18	3,984.12
Connection Pooling Server Edition	4	393.60	1,574.40
COPLINK Export Server	1	1,266.78	1,266.78
SafetyNet Conference without lodging (per attendee) - (2020 Credit)	1	-950.08	-950.08

Thank you for your business.	<b>Total \$111,520.65</b>
------------------------------	---------------------------



CITY MANAGER'S OFFICE

City of South Gate  
CITY COUNCIL

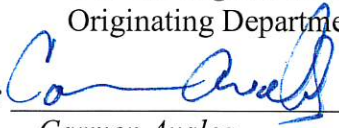
NOV 02 2021

9:45 am

AGENDA BILL

For the Regular Meeting of: November 9, 2021  
Originating Department: Office of the City Clerk

Department Director:

  
Carmen Avalos

Interim City Manager:

  
Chris Jeffers

**SUBJECT:** APPROVAL OF CITY COUNCIL MEETING MINUTES

**PURPOSE:** To historically preserve the events of the City Council Meetings.

**RECOMMENDED ACTION:**

- A. Approve the Special Joint Budget Meeting minutes of August 16, 2021
- B. Approve the Regular and Special Meeting minutes of October 12, 2021

**FISCAL IMPACT:** None.

**ANALYSIS:** The minutes are provided to the City Council on the Wednesday prior to their regular business meeting. Amendments should be provided to the City Clerk's Office within 24 hours of a City Council Meeting so that verification of the record and corrections are made accordingly. A revised document will be provided to the City Council prior to the Meeting.

**BACKGROUND:** The minutes typically describe the events of the meeting and may include a list of attendees, a statement of the issues considered by the participants, and related responses or decisions for the issues.

**ATTACHMENTS:** City Council Minutes

**SOUTH GATE CITY COUNCIL  
SOUTH GATE HOUSING AUTHORITY  
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF  
THE CITY OF SOUTH GATE**

**SPECIAL JOINT BUDGET MEETING MINUTES  
MONDAY, AUGUST 16, 2021**

**CALL TO ORDER** Al Rios, Mayor/Chairperson called the Special Joint Budget Meeting of the South Gate City Council to order at 6:06 pm.

**ROLL CALL** Carmen Avalos, City Clerk

**PRESENT** Mayor/Chairperson Al Rios, Vice Mayor/Vice Chairperson Maria del Pilar Avalos, Council/Agency Member Maria Davila, Council/Agency Member Denise Diaz and Council/Agency Member Gil Hurtado; City Treasurer Gregory Martinez; Interim City Manager/Interim Executive Director Chris Jeffers, City Attorney/Authority Council Raul F. Salinas

**1**

**BUDGET** The City Council, South Gate Housing Authority and the Successor Agency to the Community Development Commission of the City of South Gate

- a. Received and filed various presentations regarding the Proposed Municipal Budgets for Fiscal Year 2021/22 for these entities, and the 5-year Capital Improvement Program; and
- b. Continued this meeting to August 23, 2021, for budget review and discussion prior to the legislative bodies of these entities considering the formal adoption of the Municipal Budgets for Fiscal Year 2021/22.

Chris Jeffers, Interim City Manager explained the process that the departments will be presenting their budgets this evening.

Mr. Jeffers presented the City Council budget.

Carmen Avalos, City Clerk presented the budget for the Office of the City Clerk.

Greg Martinez, City Treasurer and the Interim City Manager presented the budget for the City Treasurer's Office.

Raul F. Salinas, City Attorney presented the budget for the City Attorney's Office.

## SPECIAL JOINT BUDGET MEETING MINUTES OF AUGUST 16, 2021

1

BUDGET CONT'D

Mr. Jeffers presented the budget for the City Manager's Office.

Giselle Mares, Acting Management Analyst presented the Community Promotion budget.

Joshua Barron questioned the City Clerk's proposed increase of 2 part-time staff members and suggested that the city look into more web-based training to save money.

Robert Montalvo questioned the \$28,000.00 spent on car allowance when COVID restricted all travel. He also questioned air fare, hotel accommodations, communications, and phone.

Mario Dominguez questioned the expenditures of the City.

Council Member Diaz questioned last years funding for the youth media program and was the money reallocated. She also asked for status on the receptionist position for the information booth and would like to see the City Clerk's Office positions be paid internships for the college youth.

Council Member Davila also asked for status on why the two park time employees were not hired. She also agrees that a paid internship for the City Clerk's Office is a better option then part-time staff.

Council Member Hurtado asked for clarification on personnel items in the City Council budget. Also, he agrees that a paid internship for the City Clerk's Office is a better option then part-time staff. He questioned what the City's lobbyist is doing to address traffic in our City generated by having two ports in our area. He inquired if enough is being done by our lobbyist to represent the City and with COVID. He asked for a status update on spending with the Tweedy Mile.

Mayor Rios is hesitant on having internships because of the amount of staff time that would go into training. He thinks that cities that have lobbyist are doing better because of the information that they provide. He asked for qualification on how the City Treasurer and Finance work together.

Vice Mayor Avalos thanked the audience that spoke today. She thinks that the budget requests heard today are very reasonable in comparison to the last year's budget.

Carmen Avalos, City Clerk explained the need for the two receptionist positions to streamline services for the residents.

## SPECIAL JOINT BUDGET MEETING MINUTES OF AUGUST 16, 2021

1

### BUDGET CONT'D

Mr. Jeffers also explained that the difference in the budget for the City Clerk's Office as it relates to the election costs that happen every other year.

Mr. Jeffers continued to break down the line items questioned in the presentation.

### RECESS

The City Council recessed at 8:09 p.m., and reconvened at 8:31 p.m., with all Members of Council present.

Kingsley Okereke, Interim Director of Administrative Services and Kim Sao, Deputy Director of Administrative Services presented the budget for Administrative Services.

Joshua Barron asked for clarification for the Business License supplies and services budget, service charge on the debit/credit cards, and the carryover for large projects.

Mario Dominguez asked for clarification on why the City's current fiscal year budget had a large increase from the last fiscal year. Questioned why the City Clerk is looking to hire young adults instead of people who are older and more established.

Vice Mayor Avalos asked what the difference between the Secretary, Senior Secretary and Clerk Typist positions is.

Mayor Davila asked for clarification on the differences in the types of mowers.

Council Member Hurtado asked for clarification on the transfer out items on the budget, workers compensation, liability claims, Utility Authority, the Street Lighting/Landscape and Sewer funds.

Staff provided a break down on the different line items questioned in the presentation.

Vice Mayor Avalos asked staff to look into the budget for the car allowance allocated to Human Resources.

**SPECIAL JOINT BUDGET MEETING MINUTES OF AUGUST 16, 2021**

**ADJOURNMENT** Mayor Rios unanimously adjourned the meeting at 9:45 p.m. and seconded by Vice Mayor Avalos.

**PASSED** and **APPROVED** this 9<sup>th</sup> day of November 2021.

ATTEST:

\_\_\_\_\_  
Al Rios, Mayor/Chairperson

\_\_\_\_\_  
Carmen Avalos, City Clerk

**CITY OF SOUTH GATE  
SPECIAL CITY COUNCIL MEETING  
MINUTES  
MONDAY, OCTOBER 12, 2021**

**CALL TO ORDER** Al Rios, Mayor called a Special City Council meeting to order at 5:39 p.m.

**ROLL CALL** Carmen Avalos, City Clerk

**PRESENT** Mayor Al Rios, Vice Mayor Maria del Pilar Avalos, and Council Member Gil Hurtado; Interim City Manager Chris Jeffers, City Attorney Raul F. Salinas

**LATE** Council Member Denise Diaz

**ABSENT** Council Member Maria Davila Gregory Martinez, City Treasurer

**CLOSED SESSION** The Council Members recessed into Closed Session at 5:42 p.m. and reconvened at 6:50 p.m. with four (4) Members of Council present. City Attorney Salinas reported the following:

1. CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION  
Pursuant to Government Code Section 54956.9(a), 54954.9(b)(3)(C)
  - a. Maria Ruiz, Manuel Ruiz, and Estate of Jaime Ruiz v. City of South GateNo reportable action taken.
2. CONSIDER THE EVALUATION OF PERFORMANCE OF A PUBLIC EMPLOYEE  
Pursuant to Government Code Section 54957 and 54957.6
  - a. Interim City ManagerNo reportable action taken.

**ADJOURNMENT** Council Member Hurtado adjourned the meeting at 6:51 p.m. and seconded by Council Member Diaz

**PASSED and APPROVED** this 9<sup>th</sup> day of November 2021.

ATTEST:

\_\_\_\_\_  
Al Rios, Mayor

\_\_\_\_\_  
Carmen Avalos, City Clerk

**CITY OF SOUTH GATE  
REGULAR CITY COUNCIL MEETING  
MINUTES  
TUESDAY, OCTOBER 12, 2021**

**CALL TO ORDER:** Al Rios, Mayor called a Regular City Council meeting to order at 6:52 p.m.

**INVOCATION:** Bishop Ismael Martin del Campo, Empower Apostolic Assembly Church

**PLEDGE OF ALLEGIANCE:** Darren Arakawa, Acting Police Chief

**ROLL CALL:** Carmen Avalos, City Clerk

**PRESENT:** Mayor Al Rios, Vice Mayor Maria del Pilar Avalos, Council Member Denise Diaz and Council Member Gil Hurtado; City Treasurer Gregory Martinez, Interim City Manager Chris Jeffers, City Attorney/Special Legal Counsel Raul F. Salinas

**ABSENT:** Council Member Maria Davila

**1**  
**PROCLAMATIONS** The City Council issued a Proclamation declaring October 23 through 31, 2021, as National Red Ribbon Week in the City of South Gate.

**2**  
**APPOINTMENTS** The City Council appointed Council Member Diaz to serve for a 2-year term to the Greater Los Angeles County Vector Control Board by motion of Council Member Hurtado and seconded by Vice Mayor Avalos.

**Roll Call:** Mayor Rios, yes; Vice Mayor Avalos, yes; Council Member Diaz, abstain, Council Member Hurtado, yes; Council Member Davila, absent

**3**  
**PARKING** The City Council approved A and B by motion of Vice Mayor Avalos and seconded by Mayor Rios.

**Roll Call:** Mayor Rios, yes; Vice Mayor Avalos, yes; Council Member Diaz, yes, Council Member Hurtado, no; Council Member Davila, absent

a. Received and filed a presentation of the Citywide Parking Study; and

b. Approved the Citywide Parking Study and its Priority Tool Kit.

## REGULAR CITY COUNCIL MEETING MINUTES OF SEPTEMBER 28, 2021

### COMMENTS FROM THE AUDIENCE

Virginia Johnson concerned about clerk position.

Andrea Paulino requesting subject of changing city clerk to appointed versus elected.

Alma, Cheer Coach requested money for mats at school.

Mario Dominguez concerned about parking.

Ana Elizarras, Chamber of Commerce congratulated staff on two great events (Art Walk & Family Day in the Park).

Robert Montalvo is concerned about violations.

Liz Ruiz is concerned about address not being identified on Zoom.

Carmen Avalos, City Clerk read the following emails into the record:

Natalie Amezua had concerns regarding the lack of parking and code enforcement in her neighborhood.

Jovanna Cortez has concerns about people once again using social media to attack the South Gate Junior Athletic Association.

### CONSENT CALENDAR

Agenda Items 4, 6, 7, 8, 9, 10, 11, 13, 14, 15, and 16 were approved by motion of Vice Mayor Avalos and seconded by Council Member Diaz. Council Member Hurtado recused himself from voting on Items 6 and 14. Council Member Davila was absent. Items 5 and 12 were pulled for separate discussion.

**Roll Call:** Mayor Rios, yes; Vice Mayor Avalos, yes; Council Member Diaz, yes, Council Member Hurtado, yes and recused himself for items 6 and 14; Council Member Davila, absent

4

### MUNICIPAL CODE

The City Council waived the reading in full and adopted Ordinance No. 2021-09-CC entitled - An Ordinance of the City Council of the City of South Gate, California, adding Section 1.52.081 (Electronic Filing) to Chapter 1.52 (Municipal Elections) of Title 1 (Administration and Personnel), of the South Gate Municipal Code relating to electronic filing of Campaign Statements and Statements of Economic Interest (Form 700) during consent calendar.



## REGULAR CITY COUNCIL MEETING MINUTES OF SEPTEMBER 28, 2021

5

### CITY COUNCIL

The City Council considered adopted Resolution No. 2021-46-CC entitled - A Resolution of the City Council of the City of South Gate authorizing remote teleconference meetings of the City Council, all City subordinate bodies, and all City non-profit corporation Boards and their subordinate bodies, for the period October 12 - November 11, 2021, by motion of Council Member Hurtado and seconded by Council Member Diaz. Council Member Davila was absent.

**Roll Call:** Mayor Rios, yes; Vice Mayor Avalos, yes; Council Member Diaz, yes, Council Member Hurtado, yes; Council Member Davila, absent

6

### EDUCATION

The City Council adopted Resolution No. 2021-47-CC entitled - A Resolution of the City Council of the City of South Gate, California, recognizing the Secretary of Education's legal authority through the Higher Education Act of 1965 (20 U.S.C. 1082 (A)) to broadly cancel student debt during consent calendar.

7

### PARKS

The City Council approved A, B, and C during consent calendar.

- a. Adopted Resolution No. 2021-48-CC entitled - A Resolution of the City Council of the City of South Gate, California, approving project application(s) for Per Capita Grant funds from Proposition 68 to the State of California Department of Parks and Recreation; and
- b. Delegated the authority to the Director of Parks & Recreation or designee to conduct all negotiations, sign, and submit all documents including, but not limited to, applications, agreements, amendments, and payment requests which may be necessary for the completion of the grant scope(s); and
- c. Authorized the Mayor to execute Resolution in a form acceptable to the City Attorney.

8

### PARKS

The City Council approved A, B, and C during consent calendar.

- a. Adopted Resolution No. 2021-49-CC entitled - A Resolution of the City Council of the City of South Gate, California, approving authority to file for and receive all Measure A grant funds from the Los Angeles County Regional Park and Open Space District (RPOSD) for Projects and Programs;

## REGULAR CITY COUNCIL MEETING MINUTES OF SEPTEMBER 28, 2021

8

### PARKS CONT'D

- b. Delegated authority to the Director of Parks & Recreation or designee to conduct all negotiations, sign, and submit all documents including, but not limited to, applications, agreements, amendments, and payment requests which may be necessary for the completion of the grant scope(s); and
- c. Authorized the Mayor to execute Resolution in a form acceptable to the City Attorney.

9

### ENGINEERING

The City Council approved A and B during consent calendar.

- a. Adopted Resolution No. 2021-50-CC entitled - A Resolution of the City Council of the City of South Gate, California, adopting Caltrans Local Assistance Procedures Manual Chapter 10 for Consultant Selection; and
- b. Authorized the Mayor to execute the Resolution in a form acceptable to the City Attorney.

10

### STREETS

The City Council approved A, B, C, and D during consent calendar

- a. Accepted completion of construction, effective September 23, 2021, of the Chakemco Street Improvements Project, City Project No. 593-ST, constructed by Hardy & Harper, Inc.;
- b. Directed the City Clerk to file a Notice of Completion with Los Angeles County Registrar Recorder's Office;
- c. Approved Change Order No. 3 to Contract No. 2020-30-CC with Hardy and Harper, Inc., for additional improvements and a deduction of bid quantities on the Chakemco Street Improvement Project, City Project No. 593-ST, in a net amount not-to-exceed \$5,717; and
- d. Authorized the Assistant City Manager/Director of Public Works to execute Change Order No. 3.

REGULAR CITY COUNCIL MEETING MINUTES OF SEPTEMBER 28, 2021

11

STREETS

The City Council approved A, B, and C during consent calendar.

- a. Contract Change Order No. 5 to Contract No. 2020-43-CC with Sequel Contractors, Inc., to add improvements and change out the street furniture specified for the "Garfield Avenue, from south city limit to Jefferson Avenue and Imperial Highway, from west city limit to east city limit, City Project No. 413-ST, Federal Project No. STPL-5257(030)," in an amount not-to- exceed \$164,146;
- b. Contract Change Order No. 6 to Contract No. 2020-43-CC with Sequel Contractors, Inc., to add improvements on the "Firestone Boulevard and Otis Street Improvements and Imperial Highway Center Median, City Project No. 496-ST, Federal Project No. HSIPL- 5257(032)," in an amount not-to-exceed \$43,470; and
- c. Authorized the Assistant City Manager/Director of Public Works to execute Contract, Change Order Nos. 5 and 6 to Contract No. 2020-43-CC.

12

STREETS

The City Council approved A, B, C, D, E, F, and G by motion of Mayor Rios and seconded by Vice Mayor Avalos.

- a. Approved an Agreement (Contract No. 2021-127-CC) with Parkwood Landscape Maintenance, Inc., to provide landscaping and general maintenance services, for a three-year term, for a not-to-exceed amount of \$1,149,384 or \$383,128 per year;
- b. Appropriated \$18,779 in Street Lighting & Landscaping Funds to Account No. 251-714-25-6101 (Professional Services Account) to fund the proposed Agreement;
- c. Appropriated \$2,522 in Measure R Funds to Account No. 224-780-31-6101 (Professional Services Account) to fund the proposed Agreement;
- d. Appropriated \$26,575 in Water Fund to Account No. 411-731-71-6101 (Professional Services Account) to fund the proposed Agreement;
- e. Appropriating \$50,445 in Gas Tax Funds to Account No. 212-713-31-6101 (Professional Services Account) to fund the proposed Agreement;

**REGULAR CITY COUNCIL MEETING MINUTES OF SEPTEMBER 28, 2021**

12

**STREETS CONT'D**

- f. Appropriated \$16,113 in Proposition A Funds to Account No. 221-731-51-6101 (Professional Services) to fund the proposed Agreement; and
- g. Authorized the Mayor to execute the proposed Agreement with Parkwood Landscape Maintenance, Inc. in a form approved by the City Attorney.

**Roll Call:** Mayor Rios, yes; Vice Mayor Avalos, yes; Council Member Diaz, yes, Council Member Hurtado, yes; Council Member Davila, absent

13

**WATER**

The City Council approved A and B during consent calendar.

- a. Notice of Exemption for Well No. 30, City Project No. 605-WTR as required by the California Environmental Protection Act Categorical Exemption; and
- b. Directed the City Clerk to file the Notice of Exemption with the Los Angeles County Registrar Recorder's Office and State Clearing House.

14

**STREETS**

The City Council approved Southern California Edison Service Request No. 2792182 to authorize the installation of a new electrical service meter and related improvements for the Urban Orchard Project, City Project No. 539-PRK, in the amount of \$80,692 during consent calendar.

15

**DATA PROCESSING**

The City Council approved A and B during consent calendar.

- a. Approved a purchase order for ten (10) mobile data computers including hardware and software in the amount of \$66,287.63 to be installed in police vehicle units; and
- b. Authorized the Mayor to execute the Purchase Order Agreement in a form acceptable to the City Attorney.

16

**MINUTES**

The City Council approved A, B, and C during consent calendar.

- a. Special Meeting minutes of August 31, 2021;
- b. Special Meeting minutes of September 7, 2021; and
- c. Special and Regular Meeting minutes of September 14, 2021.

**REGULAR CITY COUNCIL MEETING MINUTES OF SEPTEMBER 28, 2021**

17

**RECYCLING**

The City Council considered:

- a. Receiving and filing a presentation by HF&H Consultants, LLC the Draft Request for Proposal for Recycling, Organics, and Solid Waste Collection and Recycling, Organics and C&D Processing Services; and
- b. Approving and authorizing the issuance of the Draft Request for Proposals for Recycling, Organics, and Solid Waste Collection and Recycling, Organics and C&D Processing Services.

This item was continued to the City Council Meeting of October 26, 2021.

18

**WARRANT**

The City Council approved the Warrant Register for October 12, 2021, by motion of Vice Mayor Avalos and seconded by Council Member Hurtado:

Total of Checks:	\$3,298,966.04
Voids:	\$ (0.00)
Total of Payroll Deductions:	<u>\$ (320,182.05)</u>
Grand Total:	\$2,978,783.99

**ADJOURNMENT**

Mayor Rios adjourned the meeting at 10:04 p.m. and seconded by Vice Mayor Avalos.

**PASSED and APPROVED** this 9<sup>th</sup> day of November 2021.

ATTEST:

\_\_\_\_\_  
Al Rios, Mayor

\_\_\_\_\_  
Carmen Avalos, City Clerk

WARRANT REGISTER FOR COUNCIL MEETING 11/9/2021

PART I

apChkLst  
10/20/2021 12:43:44PM

Final Check List  
CITY OF SOUTH GATE

CITY MANAGER'S OFFICE

Page: 1

NOV 03 2021

11:00 AM

Bank : botw BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
94476	10/20/2021	00004865 SO CALIF EDISON	10/14/21	10/14/2021	BILLING PRD OCT 2021	143,571.59	143,571.59

Voucher:

Sub total for BANK OF THE WEST: 143,571.59

1 check in this report.

Grand Total All Checks: 143,571.59

Gray highlights indicate prepaid checks

Item No. 15

**WARRANT REGISTER FOR COUNCIL MEETING 11/9/2021**

**PART II**

apChkLst  
10/26/2021 4:38:32PM

Final Check List  
CITY OF SOUTH GATE

Page: 1

Bank : botw BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
94477	10/28/2021	0012107	CALIFORNIA STATE DISBURSE	Ben292388	10/28/2021	CA STATE DISB. UNIT: PAYMENT	299.99	299.99
		Voucher:						
94478	10/28/2021	00002138	FRANCHISE TAX BOARD	Ben292384	10/28/2021	GARNISHMENT - FRANCHISE TA	1,487.91	1,487.91
		Voucher:						
94479	10/28/2021	0009920	OCSE CLEARINGHOUSE SDU	Ben292386	10/28/2021	GARNISHMENT - AR CHILD SUPP	324.00	324.00
		Voucher:						
<b>Sub total for BANK OF THE WEST:</b>							<b>2,111.90</b>	
<b>3 checks in this report.</b>								
<b>Grand Total All Checks:</b>							<b>2,111.90</b>	

WARRANT REGISTER FOR COUNCIL MEETING 11/9/2021

apChkLst  
10/27/2021 7:29:56AM

Final Check List  
CITY OF SOUTH GATE

Bank : botw BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
94480	10/27/2021	0013208	BARBER SHOP INTERNATIONAL 2021-101-17-AC	8/24/2021	CDBG-VC SMALL BUSINESS JOE	7,500.00	7,500.00
Voucher:							
94481	10/27/2021	0012868	COMPATIOR INC JULY 2021	9/10/2021	JULY 2021 FREE MENTAL HEALT	10,963.62	10,963.62
Voucher:							
94482	10/27/2021	0013207	TWINS GRILL 2021-101-16-AC	8/24/2021	CDBG-CV SMALL BUSINESS JOE	7,500.00	7,500.00
Voucher:							
<b>Sub total for BANK OF THE WEST:</b>							25,963.62
3 checks in this report.							
<b>Grand Total All Checks:</b>							25,963.62



WARRANT REGISTER FOR COUNCIL MEETING 11/9/2021

apChkLst  
11/01/2021 9:13:02AM

Final Check List  
CITY OF SOUTH GATE

Bank : botw BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
94483	11/9/2021	00001467	ADMINISTRATIVE SERV. CO-OP	12202	8/31/2021	AUG 2021 FOOD INSECURITY PF	4,097.95
	Voucher:	94483		12479	9/30/2021	SEP 2021: SERVICES FOR DIAL-	41,808.75
				12420	9/30/2021	SEP 2021 SENIOR MEALS DELIV	2,287.50
				12186	8/31/2021	AUG 2021: SENIOR MEALS DELIV	2,295.60
				11967	7/31/2021	JULY 2021 SENIOR MEALS DELIV	1,939.35
							52,429.15
94484	11/9/2021	00003971	ADMINSURE INC.	14593	10/15/2021	NOV 2021: WORKERS COMP CL	9,409.00
	Voucher:	94484					9,409.00
94485	11/9/2021	0013253	AEQUITAS INVESTIGATIONS AND	1087	10/12/2021	10/18/2021 TRAINING SOCIAL ME	675.00
	Voucher:	94485					675.00
94486	11/9/2021	00004372	AIRGAS USA, LLC	9117881646	9/21/2021	CARBON DIOXIDE FOR POOL	135.05
	Voucher:	94486		9118151012	9/30/2021	CARBON DIOXIDE FOR POOL	256.14
							391.19
94487	11/9/2021	0011325	ALAN'S LAWN & GARDEN CENTE	1055683	10/15/2021	2 CHAINSAWS	1,352.91
	Voucher:	94487		1053980	10/7/2021	GROUNDS MAINT. SUPPLIES	292.53
							1,645.44
94488	11/9/2021	0011059	ALESHIRE & WYNDER, LLP, SUIT	164291	10/15/2021	THRU 09/30/21 - PERSONNEL-LA	9,782.90
	Voucher:	94488					9,782.90
94489	11/9/2021	0011577	ALL PHASE ELECTRIC SUPPLY C	0946-1024389	10/7/2021	PD GATE, SAFETY EQUIP	275.63
	Voucher:	94489		0946-105469	10/20/2021	LIGHTS AT WELL 28	994.18
				0946-1024490	10/12/2021	GOLF STARTER BLDG	1,422.23
				0946-1024493	10/4/2021	SWITCH FOR CITY HALL	67.25
				0946-1024386	10/4/2021	PD JAIL ENTRANCE WORK ORDI	152.42
							2,911.71
94490	11/9/2021	00000706	ALTEC INDUSTRIES, INC.	50861280	10/15/2021	UNIT 664 REPAIRS FOR ELECTR	1,850.36
	Voucher:	94490		50845529	9/21/2021	ANNUAL SERVICE INSPECTIONE	765.00
				50840165	9/13/2021	ANNUAL SERVICE INSPECTIONE	113.25
				50845584	9/21/2021	ANNUAL SERVICE INSPECTIONE	447.60
							3,176.21
94491	11/9/2021	0007290	APW KNOX-SEEMAN	16965057	10/13/2021	UNIT# 126 BLOWER MOTOR	68.49
	Voucher:	94491		16924889	10/1/2021	OIL FILTER	29.24
				16924890	9/30/2021	UNIT#623 OIL SPIN ON	16.87
				16891780	9/20/2021	UNIT# 661 BLOWER MOTOR	55.36
							169.96
94492	11/9/2021	00000103	AREA E DISASTER MANAGEMEN	2021-22-024	9/2/2021	FY 2021-2022: RENEWAL - DISAS	9,958.00
	Voucher:	94492					9,958.00
94493	11/9/2021	0013250	ASCENT ENVIRONMENTAL, INC	20210118.01-1	10/13/2021	THRU 9/30/21: GATEWAY DISTRI	32,480.00
	Voucher:	94493					32,480.00
94494	11/9/2021	00003529	AT&T	960-449-6558-10/2	10/25/2021	BILLING PRD- OCT 2021	235.40
	Voucher:	94494					235.40

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Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
94495	11/9/2021	00005075 AT&T	16829066	10/26/2021	BP-07/01/21-07/31/2021 BAN: 939	43.98	
	Voucher:	94495	16832845	8/1/2021	07/01/21-07/31/21 BAN: 93910689	1,774.67	
			16902921	8/13/2021	07/13/21-08/12/21-BAN: 93910347	23.40	
			16902915	8/13/2021	07/13/21-08/12/21- BAN: 93910347	1,163.21	
			16902919	8/13/2021	07/13/21-08/12/21-BAN: 93910347	113.64	
			169029194	8/13/2021	07/13/21-08/12/21- BAN: 93910347	679.53	
			16902917	8/13/2021	07/13/21-08/12/21 BAN: 93910347	3,207.28	
			16902918	8/13/2021	07/13/21-08/12/2021 BAN: 939103	17.86	7,023.57
94496	11/9/2021	00003692 AT&T MOBILITY	875963643X10162	10/8/2021	9/9/21-10/8/21: MDCS DATA CARE	581.25	
	Voucher:	94496	287288333867X1C	10/2/2021	9/3/21-10/2/21: MDCS DATA CARE	1,690.08	2,271.33
94497	11/9/2021	00000201 ATLANTIC LOCK & KEY	00392	10/5/2021	SPECIALIZED KEYS FOR THE DE	79.38	79.38
	Voucher:	94497					
94498	11/9/2021	0010585 AUTOZONE STORES, INC.	5488538059	10/12/2021	UNIT#627 OIL FILTER	6.06	
	Voucher:	94498	5488531885	10/6/2021	UNIT#117 BATTERY	13.75	
			5488532158	10/6/2021	AUTO PARTS	28.69	
			5488539131	10/13/2021	UNIT#115 BRAKE PADS	32.18	
			5488538027	10/12/2021	UNIT#115 AC HEATER BLOWER I	63.05	143.73
94499	11/9/2021	0013244 BAKHSHI, MICHAEL	Ref000292033	10/7/2021	UB REFUND CST #00063229 - 41:	133.98	133.98
	Voucher:	94499					
94500	11/9/2021	0013258 BANUELOS, JUDITH	Ref000292283	10/14/2021	UB REFUND CST #00062067 - 96:	84.56	84.56
	Voucher:	94500					
94501	11/9/2021	0010615 BEARCOM	5267755	10/1/2021	OCT 2021 BEARCOM-ANNUAL M.	323.48	
	Voucher:	94501	5267762	10/1/2021	OCT 2021 BEARCOM-ANNUAL M.	318.81	
			5267765	10/1/2021	OCT 2021 BEARCOM-ANNUAL M.	2,270.06	
			5267771	10/1/2021	OCT 2021 BEARCOM-ANNUAL M.	175.52	3,087.87
94502	11/9/2021	0008396 BLUE DIAMOND MATERIALS	2453081	10/4/2021	DUMP BOBTAIL AT SOUTH GATE	525.00	
	Voucher:	94502	2462242	10/11/2021	DUMP PICKUP USE	100.00	625.00
94503	11/9/2021	0006239 CENTRAL FORD	379514	10/7/2021	UNIT#117 BATTERY TERMINALS	52.92	
	Voucher:	94503	379376	10/5/2021	UNIT#343 THROTTLE BODY	73.23	
			379547	10/7/2021	UNIT#198 ENGINE CENTER MOT	69.52	
			C78972	10/11/2021	UNIT# 114 PERFORM MULTI POI	320.00	515.67
94504	11/9/2021	0009306 CIVICPLUS	215514	10/1/2021	WEBSITE MAINTENANCE SERVI	2,573.46	2,573.46
	Voucher:	94504					
94505	11/9/2021	0012713 CMR: DE LA PAZ, JOSE	SEP 7 & SEP 21 2	10/13/2021	SEP 7TH & SEP 21 2021 - PLANN	250.00	250.00
	Voucher:	94505					

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94506	11/9/2021	0008971	CMR: DELGADO, JOSE G.	SEP 7 & SEP 21 2	10/13/2021	SEP 7TH & SEP 21 2021 - PLANN	250.00	250.00
		Voucher: 94506						
94507	11/9/2021	0010997	CMR: INZUNZA, FABIOLA	SEP 7 & SEP 21 2	10/13/2021	SEP 7TH & SEP 21 2021 - PLANN	250.00	250.00
		Voucher: 94507						
94508	11/9/2021	0010131	CMR: PEREZ, JENNY	SEP 7 & SEP 21 2	10/13/2021	SEP 7TH & SEP 21 2021 - PLANN	250.00	250.00
		Voucher: 94508						
94509	11/9/2021	0012710	CMR:SEPULVEDA SOTO, DIEGO	SEP 21 2021	10/13/2021	SEP 21 2021 - PLANNING COMMI	125.00	125.00
		Voucher: 94509						
94510	11/9/2021	0011922	CONCENTRA MEDICAL CENTER	572926389	10/6/2021	9/29/21-10/2/21: DUI BLOOD DRA'	208.00	
		Voucher: 94510		72927291	9/29/2021	PROVIDE MEDICAL SERVICES	378.50	586.50
94511	11/9/2021	00005132	COUNTY OF LA DEPT OF AUDIT	CFY 2021/2022	10/18/2021	L.A.F.C. CHARGES FY21/22	3,242.07	3,242.07
		Voucher: 94511						
94512	11/9/2021	00005110	COUNTY OF L.A. DEPT OF PW	RE-PW 21051006	5/10/2021	APRIL 2021 PLACING SIGNLON F	398.98	
		Voucher: 94512		RE-PW 21051006	5/10/2021	APRIL 2021 FY 21/ IMPERIAL HW	946.03	
				RE-PW 21051006	5/10/2021	APRIL 2021 PLACING SIGNAL ON	3,208.02	
				RE-PW 21041205	4/12/2021	MARCH 2021 PLACING SIGNLON	3,201.25	7,754.28
94513	11/9/2021	0013217	CUETO, WENDY	Ref000291107	9/27/2021	UB REFUND CST #00049627 - 10	17.75	17.75
		Voucher: 94513						
94514	11/9/2021	00002647	CUSTOMLINE INC.	1003	10/15/2021	REPAIRS FOR GATE - SALT LAKE	1,456.95	1,456.95
		Voucher: 94514						
94515	11/9/2021	00001423	DAILY JOURNAL CORPORATION	B3520371	10/14/2021	NOTICE OF HEARING: PH ALCOH	110.00	
		Voucher: 94515		B3519417	10/14/2021	ORDANCE PUBLIC NOTICE PHN	315.00	
				B3517187	10/14/2021	NOTICE OF HEARING: ANNUAL F	280.00	
				B3516257	10/14/2021	PUBLIC NOTICE CDBG NOFA SG	290.00	995.00
94516	11/9/2021	00001565	DEPT OF JUSTICE-(DOJ) CENTR	/538498	10/6/2021	SEP 2021 FINGERPRINT APPS-C	820.00	820.00
		Voucher: 94516						
94517	11/9/2021	0012258	DIVENTURE MARKETING GROUP	7450	9/15/2021	POP UP TENT FOR TRAFFIC	845.15	845.15
		Voucher: 94517						
94518	11/9/2021	00003777	DON MILLER & SONS PLUMBING	346332A	9/9/2021	SPUD RUBBER GASKET	1.28	
		Voucher: 94518		348680	9/7/2021	WORK ORDER 818307 PD PLUMI	181.53	
				348390	9/13/2021	REPLACEMENT TOILET SEATS F	676.00	858.81
94519	11/9/2021	0010742	EAGLE AVENUE LP	265478	10/11/2021	INVENTORY PO/ OIL ABSORBEN	1,728.44	1,728.44
		Voucher: 94519						
94520	11/9/2021	00001782	EBERHARD EQUIPMENT	94680	10/4/2021	UNIT#406 BLADE, EDGE DB	1,461.96	1,461.96
		Voucher: 94520						

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94521	11/9/2021	0013245	ECOLOGY AUTO PARTS INC	Ref000292034	10/7/2021	UB REFUND CST #00061400 - 49	69.19	69.19
		Voucher: 94521						
94522	11/9/2021	00000619	FALCON FUELS, INC.	40157	10/4/2021	REGULAR UNLEADED FUEL & S/	10,749.55	10,749.55
		Voucher: 94522						
94523	11/9/2021	0013187	FAST 5 SOUTH GATE 9, LLC	3603	10/15/2021	SEP 2021 CAR WASH SRVS (83)	493.20	
		Voucher: 94523		3534	10/19/2021	AUG 2021 CAR WASH SRVS (77)	450.00	943.20
94524	11/9/2021	00002026	FEDERAL EXPRESS CORPORATI	7-503-33102	9/17/2021	FEDEX PRIORITY OVERNIGHT	7.68	
		Voucher: 94524		7-518-58153	10/1/2021	FEDEX PRIORITY OVERNIGHT	7.68	
				7-526-78239	10/8/2021	FEDEX GROUND	4.56	
				7-534-34602	10/15/2021	FEDEX GROUND	4.56	24.48
94525	11/9/2021	0005869	FERGUSON WATERWORKS	0769072-1	10/7/2021	INVENTORY PO/ WATER PARTS	992.07	992.07
		Voucher: 94525						
94526	11/9/2021	0013260	FERNANDEZ, JOSE	Ref000292285	10/14/2021	UB REFUND CST #00061418 - 93	408.56	408.56
		Voucher: 94526						
94527	11/9/2021	0006262	FIRESTONE HAND WASH	2021011	10/4/2021	2/17/21: INTERIOR DETAIL VEHIC	150.00	
		Voucher: 94527		2021010	10/4/2021	8/11/21: CLAY & WAX, INTERIOR I	350.00	500.00
94528	11/9/2021	00003770	FLEMING ENVIRONMENTAL INC.	17857	9/27/2021	9/20/21: REMOVE BALL FLOATS,	623.52	
		Voucher: 94528		17823	9/16/2021	REMOVE BALL FLOATS, PERMIT	2,678.05	3,301.57
94529	11/9/2021	0010237	FRONTIER COMMUNICATIONS	209-057-1084 10/2	10/1/2021	BILLING - 10/01/21-10/31/21	54.58	54.58
		Voucher: 94529						
94530	11/9/2021	0013220	GARCIA, JOSE	Ref000291110	9/27/2021	UB REFUND CST #00060277 - 10	115.48	115.48
		Voucher: 94530						
94531	11/9/2021	00004934	GAS COMPANY	189 300 9500 7 10	10/20/2021	BILLING PRD- 9/15/21 -10/18/21	1,677.10	
		Voucher: 94531		094 300 7500 3 10	10/19/2021	BILLING PRD-9/14/21 -10/15/21	259.76	
				013-900-7300-3 10	10/15/2021	BILLING PRD-9/10/21 -10/13/21	1,288.62	
				045 400 7300 6 10	10/15/2021	BILLING PRD- 09/10/21 -10/13/21	27.41	
				130 500 9400 5 10	10/14/2021	BILLING PRD- 09/09/21 -10/12/21	121.08	
				134 700 9400 7 10	10/14/2021	BILLING PRD- 09/09/21 -10/12/21	57.56	
				113 798 0362 7 10	10/15/2021	BILLING PRD- 09/01/21 -10/01/21	2,784.57	
				126 300 9600 1 10	10/15/2021	BILLING PRD- 09/10/21 -10/13/21	22.63	
				115 800 9600 3 10	10/15/2021	BILLING PRD- 09/10/21 -10/13/21	4,865.84	
				049 200 7902 9 10	10/18/2021	BILLING PRD- 09/13/21 -10/14/21	42.44	
				132 600 9400 1 10	10/14/2021	BILLING PRD-09/09/21 -10/12/21	43.27	
				186 100 7200 3 10	10/15/2021	BILLING PRD- 09/10/21 -10/13/21	560.37	
				102 000 8100 7 10	10/14/2021	BILLING PRD-9/09/21 -10/12/21	157.61	11,908.26

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94532	11/9/2021	0010016	GLOBAL PARATRANSIT INC.	112122-03	10/12/2021	SEP 2021 TRANSIT SVCS FOR FI	69,992.51	69,992.51
		Voucher:	94532					
94533	11/9/2021	00004869	GOLDEN STATE WATER COMPAN	33744100000	10/2 10/5/2021	BILLING PRD- 09/02/21 - 10/05/21	424.08	
		Voucher:	94533					
			53744100008	10/2 10/5/2021	BILLING PRD- 09/02/21 - 10/04/21	248.12		
			63744100007	10/2 10/5/2021	BILLING PRD- 09/02/21-10/04/21	1,620.67		
			73744100006	10/2 11/3/2021	BILLING PRD- 09/02/21 - 10/04/21	155.08		
			32809400008	10/2 10/5/2021	BILLING PRD- 09/02/21 - 10/04/21	44.59		
			29007447310	10/2 10/6/2021	BILLING PRD- 09/03/21 - 10/05/21	74.90	2,567.44	
94534	11/9/2021	0007828	GOT TOWEL'S	874-3	10/20/2021	HOURLY EMPLOYEE UNIFORM F	3,000.00	3,000.00
		Voucher:	94534					
94535	11/9/2021	00002890	GRAINGER	9064960181	9/24/2021	EXHAUST FAN-POOL/RESTROOI	93.84	
		Voucher:	94535					
			9044387547	10/18/2021	VSR SWITCH FOR FIRE SUPPRE	222.08		
			9075820259	10/5/2021	SALT LAKE TRANSFER STATION	735.72	1,051.64	
94536	11/9/2021	00000534	GRANDE VISTA STEEL	168013	10/5/2021	SR# 819540 WATER VAULT LID F	82.69	82.69
		Voucher:	94536					
94537	11/9/2021	0013243	GURROLA, BASILISA	Ref000292032	10/7/2021	UB REFUND CST #00062389 - 26	169.66	169.66
		Voucher:	94537					
94538	11/9/2021	0013259	GUZMAN, VALENTE	Ref000292284	10/14/2021	UB REFUND CST #00055802 - 93	127.48	127.48
		Voucher:	94538					
94539	11/9/2021	0009879	HDL COREN & CONE	SIN012288	10/21/2021	OCT-DEC 2021: PROPERTY TAX	3,375.00	
		Voucher:	94539					
			SIN011885	9/23/2021	2020-21 ACFR STATISTICAL PACI	795.00	4,170.00	

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94540	11/9/2021	00000268	HOME DEPOT CREDIT SERVICES	8370131	10/11/2021	FACILITY MAINT SUPPLIES - PAC	39.25
	Voucher:	94540	1370037	9/28/2021	GROUNDS SUPPLIES - NUTS & E	20.59	
			6370152	10/13/2021	WORK ORDER #819563 REPAIR I	95.73	
			7370148	10/12/2021	SUPPLIES FOR POOL AND FOUN	268.97	
			7370149	10/12/2021	ALGICIDE FOR THE FOUNTAINS	190.09	
			7370147	10/12/2021	HOOKS FOR MEN'S POOL CHAN	83.42	
			8353567	10/11/2021	DOOR SWEEPS & HARDWARE F	121.26	
			3370092	10/6/2021	GIRLS CLUBHOUSE DOOR AND :	344.47	
			4353533	10/5/2021	SUPPLIES TO SEAL AROUND DU	194.13	
			7374832	9/22/2021	RESTROOM #4 NEW COVERS CI	70.64	
			4370083	10/5/2021	TREE CREW SUPPLIES	74.67	
			3370091	10/6/2021	PAINT MATERIAL GRAFFITI ABAT	424.16	
			5370078	10/4/2021	W.O.#818971 PATCH AND PAINT I	335.59	
			9370052	9/30/2021	WESTERN EXT. DOOR GAP SWE	481.70	
			2360557	10/20/2021	WORK ORDER 818971 SUPPLIES	123.51	
			4370082	10/5/2021	SUPPLIES FOR SIGNAGE	21.01	
			5360517	9/14/2021	PD JAIL KITCHEN CABINET REBL	130.65	
			0033818	9/29/2021	SUPPLIES AND TOOLS FOR PUM	45.38	
			6342200	9/13/2021	WORK ORDER 818307 REPAIR B	32.82	
			4353368	9/15/2021	WORK ORDER 818302 PAINT FOI	70.95	
			2360579	10/7/2021	WORK ORDER 818970 TOOL TO	59.33	
			0033817	9/29/2021	PAINT FOR BUSINESS AT 8472 O	245.52	
			5353352	9/14/2021	PAINTING DOORS IN PW'S YARD	167.39	
			6342201	9/13/2021	SUPPLIES FOR FOUNTAIN	53.79	
			2370032	9/27/2021	WORK ORDER 819182	180.18	
			7342250	10/20/2021	LUMBER TO CLSOE SHED OPEN	183.81	
			7360542	9/22/2021	PAINT SAMPLES FOR CIVIC CEN	48.16	
			7374834	9/22/2021	W.O#819182 MATERIAL FOR PAI	151.59	
			2370097	10/7/2021	WORK ORDER 819563 REPAIR C	102.12	
			7374833	9/22/2021	WORK ORDER 81922 REPLACE *	269.94	
			4181450		CREDIT: RETURNED PART, INVO	-1,285.90	
			0370202	10/19/2021	GROUNDS MAINT. SUPPLIES	96.66	
			0342356	10/19/2021	FACILITY MAINT. SUPPLIES	219.77	
			9360615	10/20/2021	GROUNDS MAINT. SUPPLIES	19.44	
			4360575	10/5/2021	GROUNDS SUPPLIES - TARPS	29.68	

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			5040008	9/24/2021	GROUNDS SUPPLIES - PVC VAL	28.23	3,738.70
94541	11/9/2021	00001298 IIMC	12/31/2022	9/21/2021	THRU 12/31/22 ANNUAL MEMBEF	330.00	330.00
		Voucher: 94541					
94542	11/9/2021	00000209 JHM SUPPLY , INC.	69910/3	10/4/2021	IRRIGATION PARTS	528.57	
		Voucher: 94542	71449/3	10/14/2021	GROUNDS MAINT. SUPPLIES	1,468.56	1,997.13
94543	11/9/2021	00000430 JOHN L. HUNTER AND ASSOCIAT	SGBCR0619P2	10/21/2021	JUNE 2019 BEVERAGE CONTAIN	13,835.95	
		Voucher: 94543	SGBCR0619	10/21/2021	JUNE 2019 BEVERAGE CONTAIN	3,439.05	
			SGBCR0119	10/21/2021	JANUARY 2019 BEVERAGE CON	807.50	
			SGBCR0219	10/21/2021	FEB 2019 BEVERAGE CONTAIN	973.75	
			SGBCR0319	10/21/2021	MARCH 2019 BEVERAGE CONTA	3,569.97	
			SG1SLT2107	10/1/2021	JUL 2021: PROFESSIONAL CONS	891.25	23,517.47
94544	11/9/2021	0013138 KIMBALL MIDWEST	9272830	10/6/2021	1- REAMER & 1- HARD-KUT	216.43	
		Voucher: 94544	9272366	10/6/2021	1- CUTTER	384.77	601.20
94545	11/9/2021	00003387 KNORR SYSTEMS, INC.	SI234063	10/12/2021	COVER STRAINER HOLD DOWN:	615.64	615.64
		Voucher: 94545					
94546	11/9/2021	0012590 LA TRUCK & AUTO INC, NAPA AU	5156-207467	9/30/2021	UNIT#117 COOLANT SYSTEM PA	157.29	
		Voucher: 94546	5156-208119	10/6/2021	UNIT#117 WHEEL SEALS 2003 FC	201.78	
			5156-208106	10/6/2021	UNIT#117 BRAKES	331.48	
			5156-206709	9/22/2021	UNIT#406 FILTERS	46.97	
			5156-207466	9/30/2021	UNIT#117 FAN CLUTCH	63.57	
			5156-207909	10/5/2021	UNIT#117 GASKET TIMING COVE	12.46	
			5156-206403	9/20/2021	BELT	33.06	846.61
94547	11/9/2021	0007795 LAWRENCE ROLL UP DOORS, IN	2122885	8/12/2021	EMERGENCY AS NEEDED SVCS	415.00	
		Voucher: 94547	2124462	10/8/2021	EMERGENCY AS NEEDED SVCS	415.00	830.00
94548	11/9/2021	0013249 LEAL, ROSARIO	Ref000292038	10/7/2021	UB REFUND CST #00052179 - 84	73.71	73.71
		Voucher: 94548					
94549	11/9/2021	00003754 LIEBERT CASSIDY WHITMORE	206442	9/30/2021	THUR 9/30/2021 GENERAL SERV	117.00	
		Voucher: 94549	206443	9/30/2021	9/30/2021 PROFESSIONAL SERV	780.00	897.00
94550	11/9/2021	00003793 LONG BEACH BMW MOTORCYCL	41578	10/4/2021	2016 BMW BRAKE ROTORS, TIRI	2,572.02	2,572.02
		Voucher: 94550					
94551	11/9/2021	00005125 LOS ANGELES COUNTY TAX COL	6234-012-270-2nd	10/13/2021	6234-012-270 PROPERTY TAX 20	206.31	
		Voucher: 94551	6234-013-271-2NE	10/13/2021	6234-013-271-PROPERTY TAX 20	442.91	649.22
94552	11/9/2021	0010477 MACS 14	22883	9/30/2021	SMOG CHECK	35.00	35.00
		Voucher: 94552					

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Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
94553	11/9/2021	0012870	MARIELENA BIBRIESCA DE AREL	MBFALL1021-02	10/18/2021	09/21/21-10/14/21: TONE IT UP	280.00
	Voucher:	94553		MBFALL1021-01	10/18/2021	9/20/21-10/13/21: STEP AEROBIC	280.00
							560.00
94554	11/9/2021	0011962	MCA DIRECT	2021097	10/18/2021	INVOICE FOR ARCHIVAL RECOR	245.60
	Voucher:	94554					245.60
94555	11/9/2021	00004060	MCMaster-CARR SUPPLY CO	66001038	10/4/2021	REPLACE SHOWER STATION EY	721.69
	Voucher:	94555		66011552	10/4/2021	REPLACE VANDALIZE MIRRORS	224.66
				66001273	10/4/2021	GLASS TUBE FUSE TIME DELAY	30.74
				66001030	10/4/2021	GLASS TUBE FUSE TIME DELAY	30.74
							1,007.83
94556	11/9/2021	0013248	MEJIA, BERNADETTE	Ref000292037	10/7/2021	UB REFUND CST #00059995 - 89	40.99
	Voucher:	94556					40.99
94557	11/9/2021	00000170	MISC - PKS & REC REFUND	248532	10/19/2021	REFUND OF DEPOSIT (AFTER E	486.00
	Voucher:	94557					486.00
94558	11/9/2021	00000170	MISC - PKS & REC REFUND	248501	10/7/2021	REFUND OF DEPOSIT (AFTER E	277.00
	Voucher:	94558					277.00
94559	11/9/2021	00000170	MISC - PKS & REC REFUND	13196	10/2/2021	REFUND UNABLE TO ATTEND CL	94.00
	Voucher:	94559					94.00
94560	11/9/2021	00000170	MISC - PKS & REC REFUND	217279	10/2/2021	8 UNUSED PERSONAL TRAINING	88.00
	Voucher:	94560					88.00
94561	11/9/2021	00000170	MISC - PKS & REC REFUND	251982	10/18/2021	REFUND: CULTURALARTS CLAS	70.00
	Voucher:	94561					70.00
94562	11/9/2021	00000170	MISC - PKS & REC REFUND	250221	10/18/2021	REFUND: CULTURALARTS PROC	65.00
	Voucher:	94562					65.00
94563	11/9/2021	00000170	MISC - PKS & REC REFUND	113122	10/18/2021	REFUND: 2021 FALL SOCCER SK	48.00
	Voucher:	94563					48.00
94564	11/9/2021	00000170	MISC - PKS & REC REFUND	13253	10/18/2021	REFUND: CULTURALARTS CLAS	45.00
	Voucher:	94564					45.00
94565	11/9/2021	00000170	MISC - PKS & REC REFUND	13191	10/18/2021	REFUND: 2021 FALL SLUGGERS	24.00
	Voucher:	94565					24.00
94566	11/9/2021	0011448	MNS ENGINEERS, INC.	78703	9/17/2021	AUG 2021: PROFESSIONAL SER	33,159.80
	Voucher:	94566					33,159.80
94567	11/9/2021	0013242	MONTALVO, CHRISTINA	Ref000292031	10/7/2021	UB REFUND CST #00056745 - 98	85.71
	Voucher:	94567					85.71



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94568	11/9/2021	0008506	MUNITEMPS	130012	10/1/2021	W/E 9/26/21: PW PROJECT MANA	5,600.00
	Voucher:	94568		129992	8/20/2021	W/E 8/15/21: PW PROJECT MANA	5,600.00
				129999	9/3/2021	W/E 8/29/21: PW PROJECT MANA	5,600.00
				130006	9/17/2021	W/E 9/12/21: PW PROJECT MANA	5,600.00
				129974	7/9/2021	W/E 7/4/21: PW PROJECT MANA	5,600.00
				129980	7/23/2021	W/E 7/23/21: PW PROJECT MANA	5,600.00
				129986	8/6/2021	W/E 8/1/21: PW PROJECT MANA	5,000.00
							38,600.00
94569	11/9/2021	00004969	NATIONAL READY MIXED CONCR795202		9/30/2021	READY MIXED CONCRETE AT 10	911.05
	Voucher:	94569					911.05
94570	11/9/2021	0012286	NATIONWIDE ENVIRONMENTAL,	31844	9/15/2021	SEP 2021 ANNUAL ST SWP CON	56,580.00
	Voucher:	94570		31912	10/15/2021	OCT 2021 ANNUAL ST SWP CON	56,580.00
							113,160.00
94571	11/9/2021	0011725	NEXTECH SYSTEMS, INC.	INV937	10/13/2021	NEXTECH SYSTEMS INC- GE SIC	1,358.28
	Voucher:	94571					1,358.28
94572	11/9/2021	00003962	NICKEY PETROLEUM CO., INC.	358865	10/11/2021	INVENTORY PO/ BARE BRICK	2,091.47
	Voucher:	94572					2,091.47
94573	11/9/2021	0009134	NORTHGATE MARKET	90239	10/11/2021	9/27-9/30/21 CDBG FOOD INSECI	10,797.99
	Voucher:	94573		90240	10/11/2021	10/4-10/7/2021 CDBG FOOD INSE	11,576.80
							22,374.79
94574	11/9/2021	0013096	OFFICE TEAM	58704206	10/26/2021	W/E 10/22/21: TEMPORARY STAF	1,481.25
	Voucher:	94574		58629258	10/14/2021	W/E 10/8/21: TEMPORARY STAFF	1,637.60
				58635500	10/18/2021	W/E 10/15/21: TEMPORARY STAF	1,637.60
							4,756.45
94575	11/9/2021	0009786	OLIVAREZ MADRUGA LEMIEUX	16885	9/30/2021	THRU:09/30/21 RE:EDISON POWI	337.50
	Voucher:	94575					337.50
94576	11/9/2021	0013229	OPENCITIES, INC	INV-0309	9/27/2021	AGREEMENT W/OPEN CITIES, IN	20,250.00
	Voucher:	94576					20,250.00
94577	11/9/2021	0007984	O'REILLY AUTO PARTS	3063-429258	10/5/2021	UNIT#117 BATTERY & CORE CHA	158.24
	Voucher:	94577		3063-421170	8/12/2021	CYLINDER	143.31
				3063-420197	8/5/2021	UNIT#208 COOLANT	103.17
				3063-430310	10/12/2021	UNIT# 638 ANTI THEFT	37.51
				3063-429535	10/7/2021	UNIT#133 KEY REMOTE BATTER	6.93
							449.16
94578	11/9/2021	0012867	PACIFIC OFFICE AUTOMATION	608019	8/25/2021	SHARP COPIER MACHINE SERV	9,507.90
	Voucher:	94578					9,507.90
94579	11/9/2021	00004582	PARKHOUSE TIRE INC	1010810707	7/16/2021	TIRES FOR UNIT#299 (LOADER)	2,528.48
	Voucher:	94579					2,528.48
94580	11/9/2021	00005204	PD: CANCIO, ROGER	1-3127	10/19/2021	TRAINING:TRAFFIC COLLISION I	329.32
	Voucher:	94580					329.32

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94581	11/9/2021	0010857 PD: GONZALEZ, ALEXIS	1-3126	10/20/2021	09/06-09/10/2021 TRAINING ICI C	324.84	324.84
		Voucher: 94581					
94582	11/9/2021	0013252 PD: PRADO, GERARDO	1-3101	10/5/2021	AUG 3-4,20021 TRAINING: LESS I	195.12	195.12
		Voucher: 94582					
94583	11/9/2021	00003808 PD: RODRIGUEZ, JUAN	1-3125	10/20/2021	9/13-9/24/21 TRAVEL ICI HOMICID	228.96	228.96
		Voucher: 94583					
94584	11/9/2021	00002824 PD: RODRIGUEZ, MANUELA	1-3128	10/20/2021	9/14-9/14 2021 TRAINING: CALIFC	245.20	245.20
		Voucher: 94584					
94585	11/9/2021	00001358 PD: SBS-D-EVOC TRAINING CENTEVC54421		10/7/2021	TRAINING:DRIVER AWARENESS	300.00	300.00
		Voucher: 94585					
94586	11/9/2021	0012846 PECKHAM & MCKENNEY, INC.	2-ADMIN SERVICI	10/7/2021	RECRUITMENT FOR DIR OF ADM	8,000.00	8,000.00
		Voucher: 94586					
94587	11/9/2021	0013246 PETROSIAN, NICK	Ref000292035	10/7/2021	UB REFUND CST #00063465 - 81:	161.23	161.23
		Voucher: 94587					
94588	11/9/2021	00004713 PETTY CASH- PARKS & REC.DEP9/29/21-10/14/21		10/20/2021	9/29/21-10/14/21: PETTY CASH RI	412.09	412.09
		Voucher: 94588					
94589	11/9/2021	00004714 PETTY CASH- POLICE DEPT. -	7/8-10/11/21AA	7/8/2021	PETTY CASH- POLICE DEPT-AA -	613.43	613.43
		Voucher: 94589					
94590	11/9/2021	00002335 PITNEY BOWES	3105027047	9/25/2021	7/30/21-10/29/2021: POSTAGE MA	1,341.92	1,341.92
		Voucher: 94590					
94591	11/9/2021	0011257 PK: GUILMETTE, ROBERT	RGFALL1021	10/18/2021	9/20/21-10/13/21: YOGA	720.00	720.00
		Voucher: 94591					
94592	11/9/2021	00003720 PK: RODRIGUEZ, BEATRIZE J	BRFALL1021	10/18/2021	9/21/21-9/30/21: OVER EASY	80.00	80.00
		Voucher: 94592					
94593	11/9/2021	0010624 PK: SANCHEZ, MARIBEL	MSFALL1021	10/18/2021	09/27/21-10-16/21: ZUMBA	225.00	225.00
		Voucher: 94593					
94594	11/9/2021	00000488 PRAXAIR DISTRIBUTION, INC.	66124411	9/21/2021	8/20/21-9/20/21: CYLINDER RENT	109.89	109.89
		Voucher: 94594					
94595	11/9/2021	0005368 PRINTCO DIRECT	83964	9/16/2021	BUSINESS CARDS - WILLIAM STI	33.08	
		Voucher: 94595	84023	9/22/2021	BUSINESS CARDS - FRANK ROB	33.08	66.16
94596	11/9/2021	0012962 REGIONAL TAP SERVICE CENTE	16014958	9/30/2021	SEP 2021: TAP BUS PASSES	40.00	40.00
		Voucher: 94596					
94597	11/9/2021	00002735 ROADLINE PRODUCTS, INC.	16900	9/27/2021	REPAIRS TO ALL 3 PAINT PUMPS	6,159.91	6,159.91
		Voucher: 94597					

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Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
94598	11/9/2021	0013221	ROBLES, JESUS	Ref000291111	9/27/2021	UB REFUND CST #00060836 - 10	88.24	88.24
		Voucher: 94598						
94599	11/9/2021	0007826	RON'S MAINTENANCE, INC.	262 8/24/21	8/24/2021	MAINT. OF CATCH BASINS YEAR	7,040.00	7,040.00
		Voucher: 94599						
94600	11/9/2021	0013219	RUIZ, MARIA GUADALUPE	Ref000291109	9/27/2021	UB REFUND CST #00061322 - 95	18.05	18.05
		Voucher: 94600						
94601	11/9/2021	0013256	RUSSO, MARIA ROSARIO	Ref000292279	10/21/2021	REFUND: RECEIPT APPLIED TO	750.00	750.00
		Voucher: 94601						
94602	11/9/2021	0010999	SAFNA ENGINEERING	10274	9/17/2021	AUG 2021: PROJECT MGMT SER	14,280.00	
		Voucher: 94602		10271	8/12/2021	JUL 2021: PROJECT MGMT SERV	18,445.00	32,725.00
94603	11/9/2021	0013257	SALINAS, JESUS	Ref000292282	10/14/2021	UB REFUND CST #00038050 - 25	24.34	24.34
		Voucher: 94603						
94604	11/9/2021	00004830	SCS ENGINEERS	00004830	10/21/2021	SEP 2021 PROFESSIONAL SERV	1,220.50	1,220.50
		Voucher: 94604						
94605	11/9/2021	0010623	SECTRAN SECURITY INC.	21100481	10/12/2021	OCT 2021 SECTRAN SECURITY I	280.24	280.24
		Voucher: 94605						
94606	11/9/2021	00004834	SECURITY SIGNAL DEVICES SYSS-01055554		9/27/2021	9/23/21: SPORTS CENTER MAIN	139.00	
		Voucher: 94606		S-01056521	10/7/2021	10/6/21: UPDATE KEYPAD CODE	139.00	
				S-01055688	9/27/2021	9/23/21: GCH UPDATE KEYPADS	139.00	
				S-01045569	4/26/2021	4/20/21: PW YARD RESET HOLD	139.00	
				R-00317402	10/1/2021	10/1/21-12/31/21: FY 2021/22: PUE	3,970.09	4,526.09
94607	11/9/2021	00004857	SMITH FASTENER COMPANY	0035417	10/5/2021	LOCKNUT & SOCKET CAPS	21.03	21.03
		Voucher: 94607						
94608	11/9/2021	0012980	SPECTRUM	116996701092121	9/21/2021	9/21-10/20/21 FIBER AC FOR PD	1,699.00	1,699.00
		Voucher: 94608						
94609	11/9/2021	0013072	STATEWIDE SAFETY SYSTEM	40010864	10/13/2021	CUSTOM SIGN FOR STREETS	92.77	92.77
		Voucher: 94609						
94610	11/9/2021	0005394	STEVE SWAIN INVESTIGATOR	1415	10/7/2021	BACKGROUND INVESTIGATION I	1,200.00	
		Voucher: 94610		1416	10/7/2021	BACKGROUND INVESTIGATION I	1,200.00	
				1414	10/5/2021	BACKGROUND INVESTIGATION I	1,200.00	3,600.00
94611	11/9/2021	0013047	TAIT ENVIRONMENTAL SERVICES899525		10/25/2021	9/30/21 ENGINEERING DESIGN S	2,290.00	2,290.00
		Voucher: 94611						
94612	11/9/2021	00002665	TEREX SERVICES	7151678	8/19/2021	AERIAL LIFT DEVICE ANNUAL IN	1,394.39	1,394.39
		Voucher: 94612						

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94613	11/9/2021	0009039 TETRA TECH	51786889	9/16/2021	THRU 8/27/21: AS-NEEDED SUPP	1,825.00	1,825.00
		Voucher: 94613					
94614	11/9/2021	00003851 THOMSON REUTERS	845120491	10/1/2021	SEP 2021: WEST INFORMATION :	501.59	501.59
		Voucher: 94614					
94615	11/9/2021	0008153 TIME WARNER CABLE-	0439993092021	9/20/2021	9/20/21-10/19/21: ACCT# 844830 C	134.99	
		Voucher: 94615	0490384092721	9/27/2021	9/27/21-10/26/21: ACCT# 8448 30	146.40	281.39
94616	11/9/2021	0011640 TIREHUB, LLC	23089701	11/5/2021	INVENTORY PO/ TIRES	3,413.34	
		Voucher: 94616	23084614	10/5/2021	UNIT#162 4-BW TIRES	259.28	
			23009648	9/30/2021	UNIT#366 4- TIRES 108S	500.40	4,173.02
94617	11/9/2021	00003438 TRANS UNION-SOUTHERN CALI	I09104691	9/25/2021	8/26/21-9/25/21: CREDIT CHECK	153.23	153.23
		Voucher: 94617					
94618	11/9/2021	0012565 UNISAN PRODUCTS LLC	3130568	10/8/2021	INVENTORY PO/DISINFECTANT	417.85	417.85
		Voucher: 94618					
94619	11/9/2021	0005750 UNITED INDUSTRIES	218529	10/12/2021	INVENTORY PO/ SIMPLE GREEN	736.44	736.44
		Voucher: 94619					
94620	11/9/2021	0010265 UNITED PACIFIC SERVICES, INC. 21-0823-3		8/23/2021	8/16/21-8/20/21: TREE TRIMMING	7,033.50	7,033.50
		Voucher: 94620					
94621	11/9/2021	0012997 UNITED SITE SERVICES OF, CALI	114-12492748	10/13/2021	9/24/21-10/21/21: 12 MONTHS OF	232.03	
		Voucher: 94621	114-12496800	10/14/2021	10/8/21-10/11/21: PORTA POTTY /	1,252.38	1,484.41
94622	11/9/2021	0013247 VASQUEZ, MARIO	Ref000292036	10/7/2021	UB REFUND CST #00061973 - 58:	59.85	59.85
		Voucher: 94622					
94623	11/9/2021	00000379 VERIZON BUSINESS	61741351	10/10/2021	BILLING PRD- 09/01/21 -09/30/21	82.90	82.90
		Voucher: 94623					
94624	11/9/2021	00001848 VERIZON WIRELESS	9886948259	8/23/2021	BILLING PRD- 07/24/21-08/23/21-	8,689.50	8,689.50
		Voucher: 94624					
94625	11/9/2021	00004353 VORTEX INDUSTRIES, INC	07-1523402	9/30/2021	INSTALL OF SLIDING DOORS & V	72,890.46	72,890.46
		Voucher: 94625					
94626	11/9/2021	00002634 VULCAN MATERIALS COMPANY	73090944	10/8/2021	ASPHALT & ENVIRONMENTAL FE	359.51	
		Voucher: 94626	73090945	10/8/2021	ASPHALT & ENVIRONMENTAL FE	88.42	
			73092871	10/11/2021	ASPHALT & ENVIRONMENTAL FE	214.67	
			73094700	10/13/2021	ASPHALT & ENVIRONMENTAL FE	213.85	
			73094699	10/13/2021	ASPHALT & ENVIRONMENTAL FE	207.22	1,083.67
94627	11/9/2021	00004000 WASTE MANAGEMENT	1259018-2684-7	10/1/2021	SEP 2021: COSG (TRASH): 4244 :	1,787.69	1,787.69
		Voucher: 94627					

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94628	11/9/2021	00002593	WAXIE'S SANITARY SUPPLY	80274795	9/8/2021	INVENTORY PO/ JANITORIAL SU	5,818.44	
	Voucher:	94628		80386035	10/19/2021	FACILITY MAINT. SUPPLIES	153.19	
94629	11/9/2021	00000561	WESTERN EXTERMINATOR COM	9040542	9/1/2021	GOPHER & FLEA ABATEMENT AT	1,950.00	
	Voucher:	94629		9037365	9/20/2021	GOPHER & FLEA ABATEMENT AT	375.00	
94630	11/9/2021	00001280	WILLDAN	00335353	10/21/2021	10/01/2021 CAPITAL IMPROVEME	14,300.00	
	Voucher:	94630		00335353-A	10/21/2021	10/1/2021 AS-NEEDED ENGINEEE	260.00	
94631	11/9/2021	0013218	YBARRA, PATRICIA	Ref000291108	9/27/2021	UB REFUND CST #00059295 - 93	119.44	
	Voucher:	94631					119.44	
94632	11/9/2021	00000062	ZIEGLER'S HARDWARE& SUPPLY	12210	9/14/2021	DRAIN KING TO REPLACE DAMA	30.85	
	Voucher:	94632		12248	9/27/2021	W.O.#818971 TEXTURE FOR FLE	47.37	
				12271 10/5/21	10/4/2021	REPAIRS ON TOILET AT CIVIC CE	36.31	
				12307	10/14/2021	KEYS FOR ELECT. SHOP	45.06	
				12226	9/16/2021	WORK ORDER #818307 PD JAIL I	40.14	
				12277	10/5/2021	REPAIRS ON 2 TOILETS AT CIVIC	37.32	
				12240 9/22/21	9/22/2021	METERIAL FOR SINK REPAIRS A	154.57	
				12247	9/27/2021	POOL DECK PATCHING AND POC	35.25	
				12253	9/28/2021	AUDITORIUM TOILET REPAIR AN	85.33	
				12284	10/6/2021	WORK ORDER 818970 FOR FLEE	30.85	
				12285	10/6/2021	WORK ORDER #819564 RESTRO	78.24	
				12290	10/6/2021	SUPPLIES TO UNCLOG DRAIN	16.52	
							637.81	
49353227	10/26/2021	0008914	AMERICAN EXPRESS					
		00004000	WASTE MANAGEMENT	1257424-2684-9	9/1/2021	SEP 2021: 263-1669: SG RESDTL	326,119.00	
	Voucher:	49353227		9/28/21 ANNUAL F	9/28/2021	CREDIT LATE FEE 08/31/21	-39.00	
							326,080.00	
<b>Sub total for BANK OF THE WEST:</b>							<b>1,086,465.59</b>	
150 checks and 1 wire transfer in this report.							<b>Grand Total All Checks and Wire Transfers:</b>	<b>1,086,465.59</b>

**WARRANT REGISTER FOR COUNCIL MEETING 11/9/2021**

**PART V**

apChkLst  
11/02/2021 11:19:00AM

Final Check List  
CITY OF SOUTH GATE

Page: 1

**Bank : botw BANK OF THE WEST**

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
2177	10/28/2021	00004836	SEIU LOCAL 721 CTW GLC-23900Ben292390	10/28/2021	SEIU DUES: PAYMENT	3,050.92	3,050.92
		Voucher: 2177					
2178	10/28/2021	00002370	INTERNAL REVENUE SERVICE Ben292392	10/28/2021	MEDICARE: PAYMENT	145,596.23	145,596.23
		Voucher: 2178					
2179	10/28/2021	00000343	PUBLIC EMPLOYEES RETIREMENTBen292394	10/28/2021	PERS RETIREMENT: PAYMENT	218,508.27	218,508.27
		Voucher: 2179					
2180	10/28/2021	00001186	EMPLOYMENT DEVELOPMENT DBen292396	10/28/2021	SDI: PAYMENT	49,206.39	49,206.39
		Voucher: 2180					
2181	10/28/2021	00000004	NATIONWIDE RETIREMENT SOLBen292398	10/28/2021	DEF COMP NATIONWIDE: PAYME	56,105.89	56,105.89
		Voucher: 2181					
2182	10/28/2021	00004996	SEIU-COPE LOCAL 721, LA/OC CIBen292400	10/28/2021	SEIU- COPE LOCAL 721 DEDUCT	39.00	39.00
		Voucher: 2182					
2183	10/28/2021	00004988	CHILD SUPPORT ON-LINE, STATEBen292402	10/28/2021	CHILD SUPPORT-ONLINE: PAYMI	1,905.96	1,905.96
		Voucher: 2183					
<b>Sub total for BANK OF THE WEST:</b>							<b>474,412.66</b>
<b>Grand Total All Wire Transfers:</b>							<b>474,412.66</b>

7 wire transfers in this report.

**WARRANT REGISTER SUMMARY  
CITY COUNCIL MEETING OF 11/9/2021**

TOTAL PART I - PREPAID CHECK (10/20/2021)	143,571.59
TOTAL PART II - PAYROLL-RELATED CHECKS	2,111.90
TOTAL PART III - PREPAID CHECKS (10/27/2021)	25,963.62
TOTAL PART IV - ACCOUNTS PAYABLE CHECKS & WIRE TRANSFER	1,086,465.59
TOTAL PART V - PAYROLL-RELATED WIRE TRANSFERS	474,412.66
	<hr/>
SUB - TOTAL	1,732,525.36
LESS: VOIDS	0.00
LESS: EMPLOYEE PAYROLL DEDUCTIONS	(317,762.90)
	<hr/>
GRAND TOTAL	1,414,762.46
	<hr/> <hr/>

# SOUTH GATE CITY COUNCIL WARRANT APPROVAL AND CANCELLATION

Warrant Number **94476** to Warrant Number **94632** inclusive, plus Wire Transfers totaling **\$1,414,762.46**, as listed on the accompanying Accounts Payable Warrant Register of **November 9, 2021** are approved as presented, with the exception of the following voided and replacement warrants:

Check	Vendor	Check Date	Amount	Reason for Void
GRAND TOTAL OF VOIDED & REPLACEMENT CHECKS			0.00	

\_\_\_\_\_  
CITY AUDITOR

\_\_\_\_\_  
CITY MANAGER  
  
  
\_\_\_\_\_  
DIRECTOR OF ADMINISTRATIVE SERVICES

Pursuant to action of the City Council on **November 9, 2021** at a regular or adjourned meeting, the City Treasurer was ordered to pay and/or cancel the above warrants, wire transfers & ETFs, as approved.