



Mayor Antonio Lopez
Mayor Pro Tem Sylvia Ballin
Councilmember Jesse H. Avila
Councilmember Joel Fajardo
Councilmember Robert C. Gonzales
Interim City Administrator
Don Penman

SAN FERNANDO CITY COUNCIL AGENDA

TUESDAY, FEBRUARY 19, 2013 – 6:00 PM

COUNCIL CHAMBERS
117 MACNEIL STREET
SAN FERNANDO, CA 91340

*One Councilmember will participate via teleconference
from 526 N. Huntington Street, San Fernando, CA 91340*

*Pursuant to Government Code Section 54953,
members of the public will be able to participate
from the teleconference location.*

CALL TO ORDER/ROLL CALL

PLEDGE OF ALLEGIANCE

Mayor Antonio Lopez

APPROVAL OF AGENDA

PUBLIC STATEMENTS – WRITTEN/ORAL

There will be a three (3) minute limitation per each member of the audience who wishes to make comments in order to provide a full opportunity to every person who desires to address the City Council.

CONSENT CALENDAR

Items on the Consent Calendar are considered routine and may be disposed of by a single motion to adopt staff recommendation. If the City Council wishes to discuss any item, it should first be removed from the Consent Calendar.

SAN FERNANDO CITY COUNCIL
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1) APPROVAL OF MINUTES OF:

- a) FEBRUARY 4, 2013 – SPECIAL MEETING
- b) FEBRUARY 4, 2013 – REGULAR MEETING
- c) FEBRUARY 13, 2013 – SPECIAL MEETING

2) APPROVAL OF WARRANT REGISTER NO. 13-022

3) ANNUAL INVESTMENT POLICY

Recommend that the City Council approve the annual Investment Policy.

4) ADOPTION OF A RESOLUTION AUTHORIZING THE CITY TREASURER AND DEPUTY CITY TREASURER TO INVEST SURPLUS FUNDS

Recommend that the City Council adopt a Resolution authorizing the City Treasurer and Deputy City Treasurer to Invest Surplus Funds.

5) APPOINTMENT OF INTERIM FINANCE DIRECTOR AS SIGNER OF WARRANTS

Recommend that the City Council designate the Interim Finance Director as one of the signers of warrants effective March 1, 2013.

6) ADOPTION OF A RESOLUTION DESIGNATING THE INTERIM CITY ADMINISTRATOR AS THE CITY'S REPRESENTATIVE TO EXECUTE CONTRACTS WITH THE COUNTY OF LOS ANGELES TO PROVIDE SERVICES FOR THE ELDERLY NUTRITION PROGRAM

Recommend that the City Council adopt a Resolution designating the Interim City Administrator as the City's representative to execute contracts, and all necessary documents, with the County of Los Angeles to provide services for the Elderly Nutrition Program.

PUBLIC HEARING

7) ADOPTION OF AN ORDINANCE AMENDING CHAPTER 106 AND IMPLEMENTING HOUSING ELEMENT PROGRAM NO. 11

Recommend that the City Council:

- a. Conduct a Public Hearing;
- b. Pending public testimony, adopt a Resolution approving the Initial Study and Negative Declaration for the proposed adoption of an Ordinance Amending Chapter 106 and implementing Housing Element Program No. 11;



SAN FERNANDO CITY COUNCIL
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- c. Introduce for first reading, in title only, and waive further reading of “An Ordinance of the City of San Fernando Amending Article 1 of Chapter 106 to define Single Room Occupancy Unit, Community Care Facilities, Emergency Homeless Shelters, Manufactured Housing, Transitional Housing and Supportive Housing and Amending Article III of Chapter 106 to Provide that Emergency Shelters are Permitted Uses in the M-2 Light Industrial Zone with Applicable Development Standards, Single Room Occupancy as Conditionally Permitted Uses in the C-1 and C-2 Commercial Zones, Community Care Facilities of Seven or More Persons as Conditionally Permitted Uses in all Residential Zones, and that Manufactured Housing, Transitional and Supportive Housing are and shall be treated as Residential Uses Applicable to the Type of Residential Structure or Use Involved”; and
- d. Direct staff to provide for notice of a public hearing on the adoption of proposed Ordinance at the City Council’s March 18, 2013 meeting.

NEW BUSINESS

8) APPROVAL OF AGREEMENT FOR CITY ATTORNEY SERVICES WITH THE LAW FIRM OF OLIVAREZ MADRUGA, P.C.

Recommend that the City Council:

- a. Approve an Agreement for City Attorney services with the Law Firm of Olivarez Madruga, P.C.; and
- b. Appoint Rick R. Olivarez as the City Attorney.

9) FISCAL YEAR 2012-13 MID-YEAR BUDGET REVIEW

Recommend that the City Council:

- a. Review and discuss the FY 2012-13 Mid-Year Budget Review Report;
- b. Direct staff to schedule final approval of the FY 2012-13 Mid-Year Budget Review Report for a future City Council meeting; and
- c. Provide direction to staff on developing a plan to address budget shortfalls, negative fund balances and debt to the Enterprise Funds.



SAN FERNANDO CITY COUNCIL
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10) APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH VERONICA TAM AND ASSOCIATES TO PREPARE THE 2013-2012 HOUSING ELEMENT UPDATE

Recommend that the City Council:

- a. Approve a Professional Services Agreement with the firm of Veronica Tam and Associates to prepare the 2013-2012 Housing Element Update, per the approved scope of work, in amount not to exceed \$38,495; and
- b. Authorize the Interim City Administrator to execute a Professional Services Agreement with the firm of Veronica Tam and Associates per the approved scope of work, in an amount not to exceed \$38,495 with an additional 10% contingency for unforeseen, additional work.

11) AWARD OF CONTRACT – PROFESSIONAL SERVICES FOR ON-CALL MAINTENANCE AND REPAIR SERVICES FOR WATER WELL AND BOOSTER PUMP ASSEMBLIES

Recommend that the City Council:

- a. Award a contract to General Pump Company, Inc. to provide On-Call Maintenance and Repair Services for Water Well and Booster Pump Assemblies; and
- b. Authorize the City Administrator to execute a Professional Services Agreement with General Pump Company, Inc. for an amount not to exceed \$60,000.

12) AWARD OF CONTRACT – PARK AVENUE STREET IMPROVEMENTS

Recommend that the City Council:

- a. Accept the lowest responsive bid from Toro Enterprises Inc. for construction of these improvements;
- b. Authorize the City Administrator to execute a Construction Contract with Toro Enterprises Inc. for an amount not to exceed \$164,725; and
- c. Authorize the City Administrator to approve change orders not to exceed 10% of contract amount.

13) AWARD OF CONTRACT - VARIABLE FREQUENCY DRIVES AT THE POOL FACILITY

Recommend that the City Council:

- a. Award a Contract to Sea Clear Pools, Inc. for the purchase and installation of Variable Frequency Drives (VFD) at the San Fernando Regional Pool Facility;



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AGENDA – TUESDAY, FEBRUARY 19, 2013
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- b. Authorize the Interim City Administrator to execute a Construction Contract/ Agreement with Sea Clear Pools, Inc. for an amount not exceed \$23,696.84; and
- c. Adopt a Resolution approving an allocation of Quimby Funds for a pump upgrade at the San Fernando Regional Pool Facility in an amount of \$11,848.42.

14) APPROVAL OF MISSION COMMUNITY HOSPITAL SUBLEASE AGREEMENT WITH SAN FERNANDO COMMUNITY HEALTH CENTER

Recommend that the City Council approve the Mission Community Hospital Sublease Agreement with San Fernando Community Health Center per City Contract No. 1485.

CONTINUED BUSINESS

15) APPROVAL OF REFUSE CONTRACT ONE-YEAR EXTENSION

Recommend that the City Council approve an amendment to the existing agreement (Contract No. 1465) with Crown Disposal, Inc. extending City refuse services through February 2014 under the existing terms and conditions.

16) FICUS TREES – FOLLOW-UP DISCUSSION

Recommend that the City Council approve a motion declaring that Ficus trees within the San Fernando Corridors Specific Plan, SP-4 Zone, are not Heritage Trees as defined in Section 98-30 of the City Municipal Code and are also not consistent with the capital improvements as envisioned for the Specific Plan.

STANDING COMMITTEE UPDATES

- No. 1 Budget, Personnel and Finance (BPF)
Chair Jesse H. Avila
- No. 2 Housing, Community & Economic Development and Parking (HCEP)
Chair Antonio Lopez
- No. 3 Natural Resources, Infrastructure, Water, Energy and Waste Management (NRIW)
Chair Joel Fajardo
- No. 4 Public Safety, Veteran Affairs, Technology and Transportation (PVTT)
Chair Jesse H. Avila
- No. 5 Education, Parks, Arts, Health and Aging (EPAH)
Chair Robert C. Gonzales



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GENERAL COUNCIL COMMENTS

STAFF COMMUNICATION

ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting.

Elena G. Chávez, City Clerk

Signed and Posted: February 15, 2013 (4:00 p.m.)



Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet Web site (www.sfcity.org). These are also available for public reviewing prior to a meeting in the City Clerk's Office. Any public writings distributed by the City Council to at least a majority of the Councilmembers regarding any item on this regular meeting agenda will also be made available at the City Clerk's Office at City Hall located at 117 Macneil Street, San Fernando, CA, 91340 during normal business hours. In addition, the City may also post such documents on the City's Web Site at www.sfcity.org. In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/accommodation to attend or participate in this meeting, including auxiliary aids or services please call the City Clerk's Office at (818) 898-1204 at least 48 hours prior to the meeting.

San Fernando City Council

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**SAN FERNANDO CITY COUNCIL
MINUTES**

**FEBRUARY 4, 2013 – 4:00 P.M.
SPECIAL MEETING**

City Hall Community Room
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Antonio Lopez called the meeting to order at 4:01 p.m.

Present:

Council: Mayor Antonio Lopez, Mayor Pro Tem Sylvia Ballin and Councilmembers Jesse H. Avila, Joel Fajardo, and Robert C. Gonzales

Staff: Interim City Administrator Don Penman, City Attorney Maribel S. Medina, and City Clerk Elena G. Chávez

PLEDGE OF ALLEGIANCE

Mayor Lopez

APPROVAL OF AGENDA

Motion by Councilmember Avila, seconded by Mayor Pro Tem Ballin, to approve the agenda. By consensus, the motion carried.

PUBLIC STATEMENTS – WRITTEN/ORAL

None

STUDY SESSION

1) **STANDING COMMITTEES – REVIEW**

Interim City Administrator Penman explained that this item was added to allow Councilmembers and staff the opportunity to review and discuss the procedures (for a better understanding).

**SAN FERNANDO CITY COUNCIL
SPECIAL MEETING MINUTES – February 4, 2013**

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Discussion ensued and by consensus, City Councilmembers agreed:

- For the time being, Standing Committees do not have to necessarily hold their regularly scheduled meetings.
- Continue to follow the current practice (i.e., directive to place item/s on an agenda will be made at a City Council meeting) on certain items.
- For larger/controversial items, a City Council Study Session should be scheduled.
- Incorporate Commissions as part of the input process (time allowing, items should be referred to appropriate Commissions first).
- If the City Council directs staff to move expeditiously on certain items, then staff will prepare a memo/email to the City Council explaining why the schedule would not allow for vetting through all committees.

2) CITY COUNCIL PROCEDURAL MANUAL – REVIEW

City Councilmembers, City Attorney, and staff, reviewed, discussed, and made suggested changes to the Manual. Staff was directed to re-agendize with the recommended changes/revisions for final approval by City Council.

RECESS TO CLOSED SESSION (5:31 P.M.)

By consensus, Councilmembers recessed to the following Closed Session.

**A) CONFERENCE WITH LABOR NEGOTIATOR
G.C. 54957.6**

City Negotiator: Interim City Administrator Don Penman
Employee Organizations: San Fernando Management Group (SEIU, Local 721)
San Fernando Public Employees' Association (SEIU, Local 721)
San Fernando Police Officers Association
San Fernando Police Officers Association Police Management Unit
San Fernando Police Civilian Association (SEIU, Local 721)
San Fernando Part-time Employees' Bargaining Unit (SEIU, Local 721)

**B) CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION
G.C. 54956.9(c)**

(5 cases)

RECESS (6:05 P.M.)

**SAN FERNANDO CITY COUNCIL
SPECIAL MEETING MINUTES – February 4, 2013**

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By consensus, Councilmembers recessed in order to hold the regular City Council meeting at 6:00 p.m.

RECONVENE/RECESS TO CLOSED SESSION (8:29 P.M.)

By consensus, Councilmembers again recessed to the following Closed Session, thereafter to adjourn.

**A) CONFERENCE WITH LABOR NEGOTIATOR
G.C. 54957.6**

City Negotiator: Interim City Administrator Don Penman
Employee Organizations: San Fernando Management Group (SEIU, Local 721)
San Fernando Public Employees' Association (SEIU, Local 721)
San Fernando Police Officers Association
San Fernando Police Officers Association Police Management Unit
San Fernando Police Civilian Association (SEIU, Local 721)
San Fernando Part-time Employees' Bargaining Unit (SEIU, Local 721)

No reportable action.

**B) CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION
G.C. 54956.9(c)**

(5 cases)

No reportable action.

I do hereby certify that the foregoing is a true and correct copy of the minutes of February 4, 2013 meeting as approved by the San Fernando City Council.

*Elena G. Chávez
City Clerk*

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**SAN FERNANDO CITY COUNCIL
MINUTES**

**FEBRUARY 4, 2013 – 6:00 P.M.
REGULAR MEETING**

City Hall Council Chambers
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Antonio Lopez called the meeting to order at 6:09 p.m.

Present:

Council: Mayor Antonio Lopez, Mayor Pro Tem Sylvia Ballin, and Councilmembers Jesse H. Avila, Joel Fajardo, and Robert C. Gonzales

Staff: Interim City Administrator Don Penman, City Attorney Maribel S. Medina, and City Clerk Elena G. Chávez

PLEDGE OF ALLEGIANCE

Mayor Lopez

APPROVAL OF AGENDA

Approval of agenda was skipped.

PRESENTATION

The following presentations were made:

- A) INTRODUCTION OF NEW EMPLOYEE (INTERIM FINANCE DIRECTOR)
RAFAELA KING
- B) RECOGNITION OF MARIACHI MASTERS APPRENTICE PROGRAM (MMAP)

PUBLIC STATEMENTS – WRITTEN/ORAL

Renato Lira talked about an accident on Fourth and Maclay streets and said it was difficult for the Los Angeles Fire Department to access the area.

SAN FERNANDO CITY COUNCIL**MINUTES – February 4, 2013****Page 2**

Esther Schiller, Smoke-Free Air for Everyone (non-profit organization), distributed information to the City Council pertaining to a survey conducted with San Fernando residents on the affects of tobacco smoke.

(Male speaker – did not state name) talked about the recent Edison blackout which caused his television sets to blow up (staff will provide him with an Edison claim form).

Stormy Haupt, Planning and Preservation Commissioner, wanted to correct a statement he made at the last meeting; Commissioners do get paid \$50 per meeting.

CONSENT CALENDAR

Mayor Pro Tem Ballin removed Item No. 2 for further discussion.

Motion by Mayor Pro Tem Ballin, seconded by Councilmember Fajardo, to approve the Consent Calendar Items:

- 1) APPROVAL OF THE MINUTES OF:
 - a) DECEMBER 5, 2012 – SPECIAL MEETING
 - b) DECEMBER 17, 2012 – SPECIAL MEETING
 - c) DECEMBER 17, 2012 – REGULAR MEETING
 - d) JANUARY 22, 2013 – SPECIAL MEETING
- 3) ADOPTION OF A RESOLUTION FOR PURCHASE AND INSTALLATION OF 4G WIRELESS MODEMS FOR POLICE VEHICLES

By consensus, the motion carried.

Items Removed for Further Discussion

- 2) APPROVAL OF WARRANT REGISTER NO. 13-021

In response to Mayor Pro Tem Ballin's question, Recreation and Community Services Operations Manager Ismael Aguila said that the expense in question is money the City holds on behalf of the Senior Club. Mayor Pro Tem Ballin suggested that perhaps in the future (for clarification purposes) there be a better description.

Motion by Mayor Pro Tem Ballin, seconded by Councilmember Avila, to approve Warrant Register No. 13-021. By consensus, the motion carried.

SAN FERNANDO CITY COUNCIL**MINUTES – February 4, 2013****Page 3****NEW BUSINESS****4) FISCAL YEAR 2011-2012 CITY ANNUAL FINANCIAL REPORTS**

Interim City Administrator Penman presented the staff report and Greg W. Fankhanel (Teamam, Ramirez & Smith, Inc.) gave an overview. Both replied to questions and concerns from Councilmembers.

Motion by Councilmember Avila, seconded by Mayor Pro Tem Ballin, to receive and file the following annual reports for Fiscal Year 2011-2012:

- a) 2012 Comprehensive Annual Financial Report covering the financial activities of both the City and Successor Agency of the Former Redevelopment Agency; and
- b) 2012 Cities Financial Transactions Report for the City of San Fernando.

By consensus, the motion carried.

5) POOL PUMP – REQUEST FOR QUIMBY FUNDS

Recreation and Community Services Operations Manager Aguila presented the staff report.

Motion by Councilmember Fajardo, seconded by Mayor Pro Tem Ballin, to adopt a Resolution approving an allocation of Quimby Funds for a pool pump upgrade at the San Fernando Regional Pool Facility in the amount of \$17,121.73. The motion carried unanimously.

6) AWARD OF CONTRACT – ON-SITE SODIUM HYPOCHLORITE GENERATION SYSTEM

Public Works Director Ruiz presented the agenda report and replied to questions from Councilmembers.

Motion by Councilmember Avila, seconded by Councilmember Gonzales, to:

- a) Award a Contract to Severn Trent Water Purification, Inc. for the purchase and installation of an On-Site Sodium Hypochlorite Generation (OSG) System;
- b) Authorize the City Administrator to execute a Professional Services Contract with Severn Trent Water Purification, Inc. for an amount not to exceed \$164,400; and
- c) Authorize the City Administrator to approve a contingency not to exceed 10% of contract amount.

The motion carried with the following vote:

SAN FERNANDO CITY COUNCIL**MINUTES – February 4, 2013****Page 4**

AYES: Avila, Gonzales, Fajardo, Lopez – 4
NOES: Ballin – 1

CITY COUNCIL ITEMS

7) **FOURTH OF JULY FIREWORKS CELEBRATION AND DECEMBER HOLIDAY PARADE**

Councilmember Fajardo gave background information and stated that this was also discussed at the NRIW Standing Committee meeting.

Motion by Councilmember Fajardo, seconded by Councilmember Gonzales, to designate Councilmembers Gonzales and Fajardo to fundraise, on behalf of the City, for the July 4th fireworks celebration.

Mayor Pro Tem Ballin suggested an amendment to include a deadline that funds should be raised (or committed) by the second meeting in April.

Councilmember Fajardo accepted the amendment and added that excess funds, beyond the \$26,000, be returned to Fund 17 with the consent and knowledge of the donors.

By consensus, the above motion, and amendments carried.

8) **DISCUSSION TO CONSIDER DECLARING FICUS TREES A PUBLIC NUISANCE**

Mayor Lopez presented the report and discussion ensued amongst Councilmembers and staff regarding options on how to deal with City Ficus trees (now and in the future).

By consensus, staff was directed report back with additional information/options.

STANDING COMMITTEE UPDATES

No. 1 Budget, Personnel and Finance (BPF)

Councilmember Avila – no updates.

No. 2 Housing, Community & Economic Development and Parking (HCEP)

Mayor Lopez – no updates.

No. 3 Natural Resources, Infrastructure, Water, Energy and Waste Management (NRIW)

SAN FERNANDO CITY COUNCIL**MINUTES – February 4, 2013****Page 5**

Councilmember Fajardo – no updates.

No. 4 Public Safety, Veteran Affairs, Technology and Transportation (PVTT)

Councilmember Avila – no updates.

No. 5 Education, Parks, Arts, Health and Aging (EPAH)

Councilmember Gonzales – Recreation and Community Services Operations Manager Aguila reported that updates on various items were given at the last meeting.

GENERAL COUNCIL COMMENTS

Councilmember Avila thanked staff, the public, the San Fernando Librarian, and City Commissioners.

Councilmember Gonzales also thanked staff and said there is a lot of work ahead for the City Council.

Councilmember Fajardo said he understands why Mayor Pro Tem Ballin voted “no” on Item No. 6 (vendors changing their prices) and he welcomed and thanked Ms. King and is glad to have her on board.

In regards to Mayor Pro Tem Ballin’s concern about a public comment made earlier regarding barriers, Public Works Director Ruiz stated that the Transportation and Safety Commission will be addressing the issue at their next meeting.

Mayor Pro Tem Ballin reported that one of the topics discussed at the recent League of California Cities conference was about cities electing their mayors and asked what would it take for San Fernando to move toward that direction. By consensus, staff was directed to report back with various options.

Mayor Lopez talked about the need to review City Attorney fees for the first six months and recommended an Ad Hoc of both himself and Mayor Pro Tem Ballin to bring back recommendations to the City Council. By consensus, Councilmembers agreed.

STAFF COMMUNICATION

Public Works Director Ruiz requested to add an item (one-year contract extension with Crown Disposal) to the NRIW and BPF Standing Committees. He also reported that the City of Los Angeles is continuing construction (LED lighting) on the bike path project.

Recreation and Community Services Operations Manager Aguila reported that the City received a grant from Kaiser to implement a City-wide wellness outreach campaign.

SAN FERNANDO CITY COUNCIL**MINUTES – February 4, 2013****Page 6****ADJOURNMENT (8:28 P.M.)**

Motion by Councilmember Fajardo, seconded by Councilmember Avila, to adjourn this meeting and reconvene the Special Meeting. By consensus, the meeting was adjourned.

I do hereby certify that the foregoing is a true and correct copy of the minutes of February 4, 2013 meeting as approved by the San Fernando City Council.

Elena G. Chávez
City Clerk

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**SAN FERNANDO CITY COUNCIL
MINUTES**

**FEBRUARY 13, 2013 – 3:45 P.M.
SPECIAL MEETING**

City Hall Community Room
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Pro Tem Ballin called the meeting to order at 3:48 p.m.

Present:

Council: Mayor Antonio Lopez (arrived at 3:57 p.m.), Mayor Pro Tem Sylvia Ballin and Councilmembers Jesse H. Avila, Joel Fajardo, and Robert C. Gonzales

Staff: Interim City Administrator Don Penman and City Clerk Elena G. Chávez

PLEDGE OF ALLEGIANCE

Councilmember Avila

APPROVAL OF AGENDA

Motion by Councilmember Fajardo, seconded by Councilmember Gonzales, to approve the agenda. By consensus, the motion carried.

PUBLIC STATEMENTS – WRITTEN/ORAL

Linda Jauron said she's impressed by the City Attorney's dedication, and as a member of the Recall Committee, feels it's necessary to state that she doesn't want Council to fall in the same track as their predecessors by doing things precipitously.

RECESS TO CLOSED SESSION (3:50 P.M.)

By consensus, Councilmembers recessed to the following Closed Session:

**SAN FERNANDO CITY COUNCIL
SPECIAL MEETING MINUTES – February 13, 2013**

Page 2

- A) PUBLIC EMPLOYEE PERFORMANCE EVALUATION
G.C. 54957

Title: City Attorney

- B) PUBLIC EMPLOYMENT
G.C. 54957

Title: City Attorney

- C) CONFERENCE WITH LABOR NEGOTIATOR
G.C. 54957.6

City Negotiator: Interim City Administrator Don Penman
Unrepresented Employee: City Attorney

REPORT OUT FROM CLOSED SESSION

No reportable action.

ADJOURNMENT (7:28 P.M.)

By consensus, the meeting was adjourned.

I do hereby certify that the foregoing is a true and correct copy of the minutes of February 13, 2013 meeting as approved by the San Fernando City Council.

*Elena G. Chávez
City Clerk*

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FINANCE DEPARTMENT**MEMORANDUM**

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator/Deputy Finance Director

DATE: February 19, 2013

SUBJECT: Warrant Register

RECOMMENDATION:

It is recommended that the City Council adopt a Resolution (Attachment "A") approving the Warrant Register.

BACKGROUND:

For each City Council meeting the Finance Department prepares a Warrant Register for Council approval. The Register includes all recommended payments for the City. Checks, other than handwritten checks, generally are not released until after the Council approves the Register. The exceptions are for early releases to avoid penalties and interest, excessive delays and in all other circumstances favorable to the City to do so. Handwritten checks are those payments required to be issued between Council meetings such as insurance premiums and tax deposits. Staff reviews requests for expenditures for budgetary approval and then prepares a Warrant Register for Council approval and or ratification. Items such as payroll withholding tax deposits do not require budget approval.

The Deputy Finance Director hereby certifies that all requests for expenditures have been signed by the department head, or designee, receiving the merchandise or services thereby stating that the items or services have been received and that the resulting expenditure is appropriate. The Deputy Finance Director hereby certifies that each warrant has been reviewed for completeness and that sufficient funds are available for payment of the warrant register.

ATTACHMENT:

A. Warrant Register Resolution

ATTACHMENT "A"**RESOLUTION NO. 13-022****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN FERNANDO ALLOWING AND APPROVING FOR
PAYMENT DEMANDS PRESENTED ON DEMAND/
WARRANT REGISTER NO. 13-022****THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY
RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:**

1. That the demands (EXHIBIT "A") as presented, having been duly audited, for completeness, are hereby allowed and approved for payment in the amounts as shown to designated payees and charged to the appropriate funds as indicated.

2. That the City Clerk shall certify to the adoption of this Resolution and deliver it to the City Treasurer.

PASSED, APPROVED, AND ADOPTED this 19th day of February, 2013.

Antonio Lopez, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 19th day of February 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

EXHIBIT "A"

vchlist

02/14/2013

1:11:43PM

Voucher List

CITY OF SAN FERNANDO

Page:

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Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
100825	2/19/2013	100020 A.G.O.P. SURPLUS STORES	12933		(2) UNIFORMS FOR CSO 01-222-0000-4300	406.50
					Total :	406.50
100826	2/19/2013	100031 A-1 LAWNMOWER INC.	23559		PARTS FOR SCAG 01-390-0410-4320	84.90
					Total :	84.90
100827	2/19/2013	100067 ADVANCE DIRECT MAIL	2052013		WATER, SEWER, REFUSE, FOLD & STL 70-382-0000-4300 72-360-0000-4300 73-350-0000-4300	81.17 81.17 81.16
					Total :	243.50
100828	2/19/2013	100070 ADVANCED ELECTRONICS INC.	0123200-IN		MONTHLY MAINT - 2-WAY RADIO, SP E 01-222-0000-4260	2,724.56
			0123201-IN		MONTHLY MAINT - CCTV EQUIPMENT 01-222-0000-4260	3,420.00
					Total :	6,144.56
100829	2/19/2013	100074 AEGIS COMPUTERS INC.	207889		IT SERVICES - NOV 2012 01-190-0241-4260 01-190-0420-4260 01-222-0000-4260	4,000.00 2,000.00 4,000.00
			207890		WEB DESIGN/SUPPORT & WEBSITE SE 01-190-0241-4260	930.00
					Total :	10,930.00
100830	2/19/2013	100097 AIRX TESTING SERVICES INC	213-014		COMPLIANCE SOURCE TESTING FOR, 01-430-0000-4260	2,393.88
					Total :	2,393.88
100831	2/19/2013	100101 VERIZON WIRELESS-LA	270693253		PLANNING CELL PHONES 01-140-0000-4220 01-150-0000-4220	5.35 38.09
			460851202		PD CELL PHONES	

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vchlist

02/14/2013

1:11:43PM

Voucher List

CITY OF SAN FERNANDO

Page:

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Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
100831	2/19/2013	100101 VERIZON WIRELESS-LA	(Continued)		01-222-0000-4220 10-220-3641-4220 CITY YARD CELL PHONE & USB MODE 70-384-0000-4220 01-390-0000-4220 01-320-0000-4220 72-360-0000-4220 VARIOUS CELL PHONES 01-106-0000-4220 70-384-0000-4220 PD CELL PHONES AND MDT MODEMS 01-222-0000-4220 01-152-0000-4220 01-105-0000-4220	110.91 26.65 71.27 3.98 3.98 0.29 32.25 26.38 967.46 114.03 53.19
					Total :	1,453.83
100832	2/19/2013	100124 ALL-PHASE ELECTRIC SUPPLY CO.	JN-18641		LIGHTS 01-430-0000-4300	1,445.08
					Total :	1,445.08
100833	2/19/2013	100143 ALONSO, SERGIO	JAN 2013		MARIACHI MASTER APPRENTICE PRO 10-424-3693-4260	1,200.00
					Total :	1,200.00
100834	2/19/2013	100165 AMERICAN WATER WORKS	16461		AIR FILTER FOR COMPRESSOR 01-152-0000-4300	18.09
					Total :	18.09
100835	2/19/2013	100222 ARROYO BUILDING MATERIALS, INC	102491		SIDEWALK REPAIR - 1818 FOURTH 15-310-0866-4600	161.83
			102510		SIDEWALK REPAIR - 1818 FOURTH 15-310-0866-4600	161.83
			102513		SIDEWALK REPAIR - 1818 FOURTH 15-310-0866-4600	85.53
			102766		SIDEWALK REPAIR - 1818 FOURTH 15-310-0866-4600	214.56

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100835	2/19/2013	100222 ARROYO BUILDING MATERIALS, INC	(Continued) 102831		SIDEWALK REPAIR - 1818 FOURTH 15-310-0866-4600	129.11
			103054		SIDEWALK REPAIR - 1931 LUCAS 15-310-0866-4600	161.81
			103062		SIDEWALK REPAIR - 1931 LUCAS 15-310-0866-4600	161.81
			103064		SIDEWALK REPAIR - 1931 LUCAS 15-310-0866-4600	161.81
					Total :	1,238.29
100836	2/19/2013	100308 BARON BAG & EROSION SUPPLY CO	0000151385		SANDBAGS 13-311-0000-4300	327.00
					Total :	327.00
100837	2/19/2013	100405 BONANZA CONCRETE, INC.	39949		DRIVEWAY APPROACH - 1931 LUCAS 13-311-0000-4600	766.27
					Total :	766.27
100838	2/19/2013	100676 R. E. CHARLES PLUMBING, INC.	16807		SINK REPAIR IN CELL @ PD 01-390-0222-4430	434.84
			16808		SINK REPAIR IN CELL @ PD 01-390-0222-4430	429.44
					Total :	864.28
100839	2/19/2013	100778 CAPE 2013 CONFERENCE	TRAVEL		PROPERTY & EVIDENCE TRAINING SE 01-224-0000-4360	275.00
					Total :	275.00
100840	2/19/2013	100805 COOPER HARDWARE INC.	87374		BUCKETS W/GRID AND FIBERGLASS S 01-370-0000-4340	38.34
			87531		WATER COOLERS, TROWEL & RESIN F 01-370-0000-4340	91.51
			87568		CONCRETE PRE-MIX 70-383-0301-4300	18.18
			87601		WATER COOLER FOR SVC 10'S TRUCK 01-346-0000-4310	70.75

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100840	2/19/2013	100805 COOPER HARDWARE INC.	(Continued)		01-346-0000-4300	13.79
					Total :	232.57
100841	2/19/2013	100859 CROWN DISPOSAL	31N00075		HAULING FEES & RES FRANCHISE - J# 73-350-0000-4260	65,959.60
					Total :	65,959.60
100842	2/19/2013	100886 LOS ANGELES DAILY NEWS	0010278802		RFP FOR HOUSING ELEMENT UPDATE 01-150-0000-4230	397.30
					Total :	397.30
100843	2/19/2013	100922 DELGADO, JOSE J.	JAN 2013		MARIACHI MASTER APPRENTICE PRO 10-424-3693-4260	500.00
					Total :	500.00
100844	2/19/2013	100960 DIEDIKER, VIRGINIA	REIMB		REIMB MMAP - WASHINGTON DC LOD 01-424-0000-4430	728.24
					Total :	728.24
100845	2/19/2013	101032 E.H. WACHS COMPANY	INV081542		VALVE OPERATOR CONTROLLER REP 70-383-0701-4600	424.50
					Total :	424.50
100846	2/19/2013	101050 ELITE AND ASSOCIATES, INC.	16916		DUCTILE IRON & METAL BLADES 70-383-0701-4600	134.89
					Total :	134.89
100847	2/19/2013	101089 ESCOBAR, MARCO	020413 - 1		L P SENIOR PETTY CASH REIMB. 04-2380	17.41
			020413 - 2		L P SENIOR PETTY CASH REIMB. 04-2380	184.33
					Total :	201.74
100848	2/19/2013	101147 FEDEX	2-163-63676		COURIER SERVICE 01-190-0000-4280	137.95
					Total :	137.95

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100849	2/19/2013	101302 VERIZON	8181811070		POLICE PAGING 01-222-0000-4220	45.21
			8181811111		MUSIC CHANNEL 01-190-0000-4220	45.21
			8181811126		RADIO REPEATER 01-222-0000-4220	44.67
			8181811136		RADIO REPEATER 01-222-0000-4220	44.67
			8181811380		MWD METER 70-384-0000-4220	49.14
			8181973209		PARKS MAJOR PHONE LINES 01-420-0000-4220	1,389.92
			8181973210		PD MAJOR PHONE LINES 01-222-0000-4220	2,592.69
			8181973211		PHONE BILL 01-190-0000-4220	2,343.21
			8181990351		PAC 50 TO SHERRIFFS 01-222-0000-4220	504.45
			8183610901		SEWER FLOW MONITOR 72-360-0000-4220	43.47
			8183613958		CNG STATION 01-320-3661-4220	37.81
			8183616728		ENGINEERING FAX LINE 01-310-0000-4220	26.99
			8183655097		PD NARCOTICS VAULT 01-222-0000-4220	27.36
			8188371509		ANIMAL CONTROL & PW PHONE LINE 01-190-0000-4220	54.07
			8188381841		ENGINEERING FAX MODEM 01-310-0000-4220	26.26
			8188384969		PD ALARM PANEL 01-222-0000-4220	89.97
			8188981027		POOL FACILITY PHONE LINES 01-430-0000-4220	132.96
					Total :	7,498.06
100850	2/19/2013	101376 GRAINGER, INC.	9042128497		SAFETY MAN LIFT	

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100850	2/19/2013	101376 GRAINGER, INC.	(Continued)		01-390-0410-4310	2,193.95
					Total :	2,193.95
100851	2/19/2013	101399 MAXIMUS, INC.	101661.01.04-002		PREP & SUBMISSION OF STATE MAND. 01-130-0000-4270	1,680.00
					Total :	1,680.00
100852	2/19/2013	101434 GUZMAN, JESUS ALBERTO	JAN 2013		MARIACHI MASTER APPRENTICE PRO 10-424-3693-4260	2,400.00
					Total :	2,400.00
100853	2/19/2013	101436 HACH COMPANY	8116092		CHLORINE & NITRAVER PILLOW PACK: 70-384-0301-4300	273.40
					Total :	273.40
100854	2/19/2013	101528 THE HOME DEPOT CRC, ACCT#603532202490	1031029		BACKSTOP REPAIR & MAINT @ PIONEI 01-390-0410-4300	187.59
			2093644		SECURE SAFETY WEAR CABINET TO V 01-390-0450-4300	18.12
			2093646		REPLACE BROKEN ELECTRICAL OUTL 01-390-0222-4300	34.41
			5245003		REPLACE REFRIGERATOR LIGHT @ LF 01-390-0460-4300	9.53
			7194946		RETURNED ITEMS 01-430-0000-4300	-23.95
			7590989		MISC PARTS 01-430-0000-4300	86.43
			8022441		GRAFFITI REMOVAL SUPPLIES 01-152-0000-4300	377.34
			8181326		ITEMS RETURNED 01-152-0000-4300	-21.22
			9022217		18V DRILL DRIVER SET 72-360-0000-4340	234.32
			9092024		SPRING LINKS 01-430-0000-4300	196.04

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100878	2/19/2013	102929 ROYAL PAPER CORPORATION	(Continued)		01-390-7500-4300	76.44
					Total :	305.75
100879	2/19/2013	102930 ROYAL WHOLESALE ELECTRIC	8901-675599		REPLACEMENT LENSES - LOT 2N	
			8901-676573		29-335-0301-4300	294.30
					NEC CODE BOOK (NFPA 70 HANDBOOK)	179.85
					29-335-0000-4340	474.15
					Total :	474.15
100880	2/19/2013	103029 SAN FERNANDO, CITY OF	12349-12366		REIMBURSEMENT TO WORKERS COM	
					06-190-0000-4810	8,497.75
					Total :	8,497.75
100881	2/19/2013	103064 SAN GABRIEL VALLEY CITY	FY 12/13		ANNUAL MEMBERSHIP DUES JULY 201	
					01-105-0000-4380	55.00
					Total :	55.00
100882	2/19/2013	103184 SMART & FINAL	158977		MEAL PROGRAM SUPPLIES	
			161271		10-422-3750-4300	214.83
					ASCEP WEEKLY ACTIVITY SUPPLIES	
					10-420-1371-4300	80.26
					Total :	295.09
100883	2/19/2013	103196 SOUTH COAST AIR QUALITY	2555897		AQMD PERMIT FEES	
			2556711		01-320-0000-4260	310.85
					AQMD PERMIT FEES	
					01-320-0000-4260	115.56
					Total :	426.41
100884	2/19/2013	103202 SOUTHERN CALIFORNIA EDISON CO.	013013		ELECTRIC - VARIOUS LOCATIONS	
			013113		01-371-0000-4210	1,149.61
					ELECTRIC - 200 HUBBARD	
					01-371-0000-4210	43.85
					01-420-0000-4210	260.90
			020113		ELECTRIC - 519 S BRAND	
					01-390-0457-4210	74.30

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100884	2/19/2013	103202 SOUTHERN CALIFORNIA EDISON CO.	(Continued)			
			020213		01-371-0000-4210	45.76
					ELECTRIC - 910 FIRST	
					01-222-0000-4210	4,073.17
					01-390-0450-4210	658.97
					27-344-0000-4210	529.99
					29-335-0000-4210	109.17
					01-390-0310-4210	1,516.06
			020513		ELECTRIC - 120 MACNEIL	
					01-320-3661-4210	2,323.46
					27-344-0000-4210	94.59
					01-420-0000-4210	1,346.15
					Total :	12,225.98
100885	2/19/2013	103251 STANLEY PEST CONTROL	478366		PEST CONTROL @ PD	
					01-390-0222-4260	64.00
					Total :	64.00
100886	2/19/2013	103349 THE HOUSE OF PRINTING, INC.	143966		BUSINESS CARDS	
					01-101-0000-4300	159.80
					01-105-0000-4300	43.23
					01-106-0000-4300	43.23
					01-420-0000-4300	43.23
					Total :	289.49
100887	2/19/2013	103439 UPS	831954053		COURIER SERVICES	
					01-190-0000-4280	113.11
					Total :	113.11
100888	2/19/2013	103444 ULTRA GREENS, INC	48694		MULCH FOR MALL PLANTERS	
					01-341-0000-4300	98.10
					Total :	98.10
100889	2/19/2013	103445 UNDERGROUND SERVICE ALERT	120130650		(31) USA DIGALTER TICKETS	
					70-381-0000-4260	46.50
					Total :	46.50

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100905	2/19/2013	887939 ULINE	48938809		STRAPPING TAPE DISPENSER 01-222-0000-4300	17.59
					Total :	17.59
100906	2/19/2013	887952 J. Z. LAWNMOWER SHOP	3640		EQUIPMENT MAINT 70-383-0000-4320	15.00
			3643		REPLACE WEEDEATER HEAD 01-390-0410-4320	18.48
					Total :	33.48
100907	2/19/2013	887986 TRAFFIC MANAGEMENT INC.	150264		WHITE MARKING PAINT FOR USA DIGA 70-383-0701-4600	115.10
			150873		REFLECTORS & FLAGS FOR ADVANCE 13-370-0301-4300	130.41
					Total :	245.51
100908	2/19/2013	888075 DATAMATIC, LTD.	CA-0000023754		HANDHELD METER READING MAINT - I 70-381-0000-4320	296.82
					Total :	296.82
100909	2/19/2013	888123 L.A. DEPARTMENT OF WTR & POWER	742182-315938		SECURITY LIGHTING - 13655 FOOHILL 70-384-0000-4210	104.50
			742182-315943		SECURITY LIGHTING - 12900 DRONFIE 70-384-0000-4210	324.25
					Total :	428.75
100910	2/19/2013	888241 UNITED SITE SERVICES OF CA INC	114-1075273		PORTABLE TOILETS @ REC PARK 01-420-0000-4210	131.74
					Total :	131.74
100911	2/19/2013	888242 MCI COMM SERVICE	7DK24069		HERITAGE PARK 70-384-0000-4220	31.80
			7DK48553		POOL FACILITY FAX 01-430-0000-4220	31.80
					Total :	63.60
100912	2/19/2013	888356 ADVANCED AUTO REPAIR BODY &	1028		REPLACE INTAKE MANIFOLD - PD9964 01-320-0224-4400	845.28
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100912	2/19/2013	888356 ADVANCED AUTO REPAIR BODY &	(Continued) 1029		REPLACE FRONT AXLES - PD8864 01-320-0225-4400	243.13
					Total :	1,088.41
100913	2/19/2013	888531 BIG RED PLUMBING SUPPLY, INC.	76293		MATLS FOR PIPE REPAIR 01-430-0000-4300	39.29
					Total :	39.29
100914	2/19/2013	888556 KEY EQUIPMENT FINANCE	590158242 - 3302		PW COPIER LEASE PAYMENT - FEB 20 73-350-0000-4290	206.01
			591214947 - 1302		FEB 2013 -LEASE PAYMENT - TOSHIBA 10-420-1371-4260	1,298.01
					Total :	1,504.02
100915	2/19/2013	888615 WOOD AUTO SUPPLY INC	790052		NITRILE GLOVES & DIGITAL THERMOM 70-383-0000-4340	39.73
			790228		EMERGENCY LIGHT 01-320-0000-4340	30.51
			790775		TURN SIGNAL SWITCH - PW1258 72-360-0000-4400	236.74
			790924		CLEANER & TOOL MATS 01-320-0301-4300	63.47
					Total :	370.45
100916	2/19/2013	888629 SPARKLETTS	5927274 - 011213		WATER 01-422-0000-4300	208.44
					Total :	208.44
100917	2/19/2013	888646 HD SUPPLY WATER WORKS, LTD	6120997		FIRE HYDRANT PARTS 70-383-0701-4600	719.84
					Total :	719.84
100918	2/19/2013	888707 AMERICAN SOCIETY OF COMPOSERS,	500623477		MUSIC LICENSE 01-424-0000-4260	55.58
					01-105-0000-4300	272.00
					Total :	327.58
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100919	2/19/2013	888714 SALINAS JR., RODOLFO	JAN 2013		COMMISSIONER'S REIMBURSEMENT 01-150-0000-4111	50.00
					Total :	50.00
100920	2/19/2013	888800 BUSINESS CARD	012313		CERTIFICATE FOLDERS & SEALS 01-101-0000-4300	282.74
			012413		ENGINEERING MATERIALS: 2012 GREE	
			012813		01-310-0000-4300	200.43
					LEGISLATIVE RECEPTION ON 02/07/13	
					01-101-0109-4370	50.00
			012813		01-101-0111-4370	50.00
					ANNUAL MEMBERSHIP DUES	
					01-130-0000-4380	110.00
					Total :	693.17
100921	2/19/2013	888805 BEAULIEU, KEVIN	JAN 2013		COMMISSIONER'S REIMBURSEMENT 01-150-0000-4111	50.00
					Total :	50.00
100922	2/19/2013	888869 MUNITEMPS STAFFING	123630		TEMP STAFFING - ADMIN ANALYST - W	
					01-311-0000-4112	58.04
					27-344-0000-4112	145.09
					70-381-0000-4112	580.35
					70-382-0000-4112	1,015.61
					70-383-0000-4112	290.18
					70-384-0000-4112	290.18
					72-360-0000-4112	290.16
					01-310-0000-4112	232.14
					Total :	2,901.75
100923	2/19/2013	889037 AT&T MOBILITY	875587443		MODEM FOR TRAFFIC SIGNS - 01-310-0000-4220	124.93
					Total :	124.93
100924	2/19/2013	889043 ALADIN JUMPERS	011913		DANCE FLOOR RENTAL 17-420-1397-4260	175.00
					Total :	175.00

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100925	2/19/2013	889149 STAPLES BUSINESS ADVANTAGE	8024287140		KITCHEN SUPPLIES - COFFEE, FILTER 01-190-0000-4300	283.01
			8024436115		CERTIFICATES, SEALS, TABS & BUS C/	
					01-105-0000-4300	29.07
					01-106-0000-4300	36.98
					Total :	349.06
100926	2/19/2013	889187 USA MOBILITY WIRELESS, INC	W7954833B		PAGERS 01-190-0000-4220	61.22
					Total :	61.22
100927	2/19/2013	889467 YOUNGBLOOD & ASSOCIATES	782A		POLYGRAPH EXAMINATION 01-224-0000-4260	200.00
					Total :	200.00
100928	2/19/2013	889503 JTB SUPPLY COMPANY, INC.	95637		TRAFFIC SIGNAL PED MODULE REPLA 13-371-0301-4300	1,090.00
					Total :	1,090.00
100929	2/19/2013	889532 GILMORE, REVA A.	01/26/13 - 02/08/13		FOOD SERVICE MANAGER 10-422-3750-4270	604.50
					10-422-3752-4270	91.00
					Total :	695.50
100930	2/19/2013	889533 MARTINEZ, ANITA	01/26/13 - 02/08/13		ASSISTANT FOOD MANAGER 10-422-3750-4270	177.00
					Total :	177.00
100931	2/19/2013	889534 RAMIREZ, FRANCISCO	01/26/13 - 02/08/13		HDM DRIVER 10-422-3752-4270	159.30
					10-422-3752-4390	46.80
					Total :	206.10
100932	2/19/2013	889535 GOMEZ, GILBERT	01/26/13 - 02/08/13		HDM DRIVER 10-422-3752-4270	159.30
					10-422-3752-4390	51.48
					Total :	210.78

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100933	2/19/2013	889545 PEREZ, MARIBEL	REIMB.		MILEAGE REIMB - NUTRITION TRAININ 01-420-0000-4360	44.80
					Total :	44.80
100934	2/19/2013	889592 CUELLAR, JIMMY KYLE	JAN 2013		MARIACHI MASTER APPRENTICE PRO 10-424-3693-4260	900.00
					Total :	900.00
100935	2/19/2013	889611 MORRISON MANAGEMENT SPECIALIST	18845201313101		LP SENIOR MEALS - JAN 2013 10-422-3750-4260 10-422-3752-4260	4,027.50 3,195.00
					Total :	7,222.50
100936	2/19/2013	889680 JIMENEZ LOPEZ, JUAN MANUEL	JAN 2013		MARIACHI MASTER APPRENTICE PRO 10-424-3693-4260	600.00
					Total :	600.00
100937	2/19/2013	889681 VILLALPANDO, MARIA	01/26/13 - 02/08/13		FOOD SERVICE WORKER 10-422-3750-4270 10-422-3752-4270	221.25 44.25
					Total :	265.50
100938	2/19/2013	889871 EXOVA INC.	142678		TOTAL & HEX CHROME SAMPLES 70-384-0000-4260	2,820.00
					Total :	2,820.00
100939	2/19/2013	889913 BALLIN, SYLVIA	JAN 2013		CELL PHONE USAGE REIMB - JAN 2013 01-101-0101-4220	66.00
			REIMB		PARKING FEE REIMB - 2013 LEAGUE O 01-101-0101-4370	30.00
					Total :	96.00
100940	2/19/2013	889942 ATHENS SERVICES	JAN-28-13		CONCRETE SPILL CLEAN UP - 01-343-0000-4260	54.50
					Total :	54.50
100941	2/19/2013	889962 GMS ELEVATOR SERVICES, INC	00067630		ELEVATOR SERVICES 01-430-0000-4260	125.00
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100941	2/19/2013	889962 889962 GMS ELEVATOR SERVICES, INC	(Continued)			Total : 125.00
100942	2/19/2013	889986 THE GEAR BOX	1994		UNIFORM 01-222-0000-4300	254.41
			2040		UNIFORMS 01-222-0000-4300	207.08
			2043		CLOTH BADGES 01-222-0000-4300	109.00
					Total :	570.49
100943	2/19/2013	890010 TOTAL PRINTING SUPPLIES	11009		TONER 01-105-0000-4300 01-115-0000-4300	89.92 89.93
					Total :	179.85
100944	2/19/2013	890127 NATURAL GAS GLOBAL SERVICES	342		CNG STATION OIL 01-320-3661-4430	470.59
					Total :	470.59
100945	2/19/2013	890325 L.S. AZTEC T SHIRTS	2013-0124		VOLLEYBALL TROPHIES 17-420-1334-4300	233.81
					Total :	233.81
100946	2/19/2013	890362 RTB BUS LINE	1614		TRANSPORTATION SERVICES - SF ELE 07-440-0443-4260	379.00
					Total :	379.00
100947	2/19/2013	890408 WANCO INC.	114345		REPAIR OF CHARACTER ON MESSAGE 01-320-0370-4400	278.37
					Total :	278.37
100948	2/19/2013	890463 KJC LATENT PRINT SERVICE	SF00013		FINGERPRINT CLASSIFICATIONS 01-224-0000-4270	735.00
					Total :	735.00
100949	2/19/2013	890546 BARAJAS, CRYSTAL	JAN 2013		MARIACHI MASTER APPRENTICE PRO 10-424-3693-4260	150.00
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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
100949	2/19/2013	890546 BARAJAS, CRYSTAL	(Continued)			Total : 150.00
100950	2/19/2013	890561 GCS INC.	42006		JANITORIAL SERVICES - JAN 2013	
				10955	01-390-0222-4260	4,305.60
				10955	01-390-0310-4260	1,214.91
				10955	01-390-0410-4260	2,607.00
				10955	70-381-0450-4260	1,088.36
				10955	01-390-0460-4260	3,780.00
				10955	01-430-0000-4260	3,450.00
					Total :	16,445.87
100951	2/19/2013	890693 GLIDDEN PROFESSIONAL	042206005846		PAINT SUPPLIES FOR GRAFFITI REMO	
			CREDIT MEMO		01-152-0000-4300	435.17
					OVER PAYMENT ON INV #0422-500866	
					01-152-0000-4300	-103.35
					Total :	331.82
100952	2/19/2013	890740 MORAN, STEPHANIE	JAN 2013 - 2		WATER EXERCISE INSTRUCTOR	
					17-420-1338-4260	440.00
					Total :	440.00
100953	2/19/2013	890780 MISSION AMBULANCE, INC.	27736		LIFEGUARD SERVICES	
					01-430-0000-4260	8,084.17
					Total :	8,084.17
100954	2/19/2013	890879 EUROFINS EATON ANALYTICAL, INC	L0109539		WATER ANALYSIS	
					70-384-0000-4260	139.60
			L0109794		WATER ANALYSIS	
					70-384-0000-4260	139.60
			L0110122		WATER ANALYSIS	
					70-384-0000-4260	139.60
			L0110133		WATER ANALYSIS	
					70-384-0000-4260	139.60
			L0110137		WATER ANALYSIS	
					70-384-0000-4260	24.00
			L0110287		WATER ANALYSIS	
					70-384-0000-4260	164.00

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100954	2/19/2013	890879 EUROFINS EATON ANALYTICAL, INC	(Continued)			
			L0110288		WATER ANALYSIS	
					70-384-0000-4260	139.60
			L0110295		WATER ANALYSIS	
					70-384-0000-4260	264.60
			L0111035		WATER ANALYSIS	
					70-384-0000-4260	139.60
			L0111037		WATER ANALYSIS	
					70-384-0000-4260	164.00
			L0111038		WATER ANALYSIS	
					70-384-0000-4260	139.60
			L0111677		WATER ANALYSIS	
					70-384-0000-4260	164.00
			L0112425		WATER ANALYSIS	
					70-384-0000-4260	164.00
					Total :	1,921.80
100955	2/19/2013	890904 ART PRESERVATION ASSOCIATES	APA #6		CONSERVATOR SERVICES FOR THE LI	
				10949	10-150-3609-4270	32,675.53
					Total :	32,675.53
100956	2/19/2013	890906 MEYERS NAVE	2012120296		RETAINER - JAN 2013 (LEGAL SERVICE	
					73-110-0000-4270	202.50
					70-110-0000-4270	427.50
					72-110-0000-4270	697.50
					01-110-0000-4270	5,422.50
			2012120297		LEGAL SERVICES	
					01-110-0000-4270	5,625.31
					70-110-0000-4270	382.50
			2012120299		LEGAL SERVICES	
					01-110-0000-4270	581.00
					01-110-5624-4270	418.50
			2012120300		LEGAL SERVICES	
					01-110-3376-4270	415.00
			2012120301		LEGAL SERVICES	
					01-110-3375-4270	65.00
			2012120302		LEGAL SERVICES	

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
100956	2/19/2013	890906 MEYERS NAVE	(Continued)			
			2012120303		01-110-5624-4270 LEGAL SERVICES	227.50
			2012120304		01-110-1065-4270 LEGAL SERVICES	260.00
			2012120305		01-110-0000-4270 LEGAL SERVICES	195.00
			2012120306		72-110-0000-4270 LEGAL SERVICES	1,235.00
			2012120307		73-110-0000-4270 LEGAL SERVICES	2,562.50
					01-110-0000-4270	7,595.50
					Total :	26,312.81
100957	2/19/2013	890970 WEX BANK	31957751		FUEL FOR FLEET	
					01-320-0152-4402	235.63
					01-320-0221-4402	173.58
					01-320-0222-4402	338.12
					01-320-0224-4402	839.40
					01-320-0225-4402	4,615.81
					01-320-0226-4402	2.00
					01-320-0228-4402	564.45
					01-320-0311-4402	1,087.20
					01-320-0312-4402	548.04
					01-320-0320-4402	134.65
					01-320-0346-4402	71.81
					01-320-0370-4402	348.99
					01-320-0371-4402	375.12
					01-320-0390-4402	996.58
					01-320-0420-4402	4.00
					07-313-3630-4402	1,145.34
					27-344-0000-4402	109.15
					29-335-0000-4402	138.42
					70-381-0000-4402	30.66
					70-382-0000-4402	196.08
					70-383-0000-4402	697.67
					70-384-0000-4402	263.24

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
100957	2/19/2013	890970 WEX BANK	(Continued)		72-360-0000-4402	740.55	
					73-350-0000-4402	2.00	
					Total :	13,658.49	
100958	2/19/2013	891048 ZEENI INC.	17402		BASKETBALL UNIFORMS	2,247.45	
			17532		17-420-1328-4300	203.79	
					BASKETBALL UNIFORMS	203.79	
					17-420-1328-4300	203.79	
					Total :	2,451.24	
100959	2/19/2013	891049 SERAFIN, LINDA	2000165.004		BOYS SOCCER REFUND		
					17-3770-1328	95.00	
					Total :	95.00	
100960	2/19/2013	891050 GUERRERO, MARIA	2000800149		FACILITY RENTAL REFUND		
					01-3777-0000	453.00	
					Total :	453.00	
100961	2/19/2013	891051 CASTRO, PATRICIA	2000056.001		REFUND - SOCCER		
					17-3770-1328	85.00	
					Total :	85.00	
100962	2/19/2013	891052 CRISTANDO HOUSE, INC	29205		ENROLLMENT IN STC ETHICS TRAININ		
					01-225-0000-4360	230.00	
					Total :	230.00	
100963	2/19/2013	891053 HAUPT, THEALE E	JAN 2013		COMMISSIONER'S REIMBURSEMENT		
					01-150-0000-4111	50.00	
					Total :	50.00	
100964	2/19/2013	891054 MEJIA, YVONNE G	JAN 2013		COMMISSIONER'S REIMBURSEMENT		
					01-150-0000-4111	50.00	
					Total :	50.00	
100965	2/19/2013	891055 AGUAYO, RODRIGO	33-2825-06		WATER ACCT REFUND - 1122 PICO		
					70-2010	108.39	
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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
100965	2/19/2013	891055 891055 AGUAYO, RODRIGO	(Continued)			Total : 108.39
100966	2/19/2013	891056 AGUIRRE, NOEL	37-1215-02		WATER ACCT REFUND - 713 KEWEN 70-2010	49.78 Total : 49.78
100967	2/19/2013	891057 CANNISTRACI, BIANCA	43-3420-04		WATER ACCT REFUND - 216 FERMOOF 70-2010	54.19 Total : 54.19
100968	2/19/2013	891058 LA CONDESA BAKERY & COFFEE	62-0350-06		WATER ACCT REFUND - 527 N MACLAY 70-2010	60.53 Total : 60.53
100969	2/19/2013	891059 KJA ASSOCIATES LLC	54-1362-11		WATER ACCT REFUND - 1412 WARREN 70-2010	34.03 Total : 34.03
100970	2/19/2013	891060 SEWELL, ROBERT	37-1445-08		WATER ACCT REFUND - 717 GRIFFITH 70-2010	82.88 Total : 82.88
100971	2/19/2013	891061 SKYLINE VISTA EQUITIES LLC	60-0646-09		WATER ACCT REFUND - 666 NEWTON 70-2010	26.97 Total : 26.97
100972	2/19/2013	891062 VICO, PAUL	58-2468-00		WATER ACCT REFUND - 732 ORANGE () 70-2010	38.31 Total : 38.31
148 Vouchers for bank code :		bank				Bank total : 565,733.63
148 Vouchers in this report						Total vouchers : 565,733.63

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount

Voucher Registers are not final until approved by Council.

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**PLEASE REFER TO
SUCCESSOR AGENCY
ITEM #3
FOR FULL REPORT**

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CITY TREASURER'S OFFICE**MEMORANDUM**

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator
By: Margarita Solis, City Treasurer

DATE: February 19, 2013

SUBJECT: Resolution Authorizing the City Treasurer and Deputy City Treasurer to Invest Surplus Funds

RECOMMENDATION:

It is recommended that the City Council adopt a Resolution (Attachment "A") authorizing the City Treasurer and Deputy City Treasurer to Invest Surplus Funds.

BACKGROUND:

Pursuant to Government Code Section 53607, the City Council may delegate to the City Treasurer the authority to make investments. The City Council has delegated this authority to the City Treasurer and Deputy City Treasurer in past years. The Government Code requires that, if the City Council wishes to delegate this authority to the Treasurer, this delegation must be readopted annually.

The Resolution would renew for one year the delegation to the City Treasurer and Deputy City Treasurer the authority to invest surplus funds of the City.

BUDGET IMPACT:

None.

ATTACHMENT:

A. Resolution

ATTACHMENT "A"**RESOLUTION NO. _____****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN FERNANDO AUTHORIZING THE CITY TREASURER AND
DEPUTY CITY TREASURER TO INVEST SURPLUS FUNDS**

WHEREAS, the City Council of the City of San Fernando has determined that, as a policy and practice of the City, any monies ("Surplus Funds") in a sinking fund of, or surplus money in, its treasury not required for the immediate necessities of the City, may be invested in such a manner as to maximize the return thereof for the benefit of the City, its citizens and its taxpayers;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO
DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:**

1. Any portion of any Surplus Funds in a sinking fund of, or surplus money in, the City Treasury not required for the immediate necessities of the City may be invested by the City in any investment medium permissible under state law for the investment of the funds of a General law city.
2. The investment of all Surplus Funds shall be made and maintained pursuant to Section 53601 of Title 5, Division 2 of the California Government Code.
3. The authority of the City Council to invest or to reinvest surplus funds of the City, or to sell or exchange securities so purchased, is hereby delegated by the City Council to the Treasurer of the City ("Treasurer") and to the Deputy Treasurer of the City ("Deputy Treasurer"), who both shall assume full responsibility for such transactions until such time as this delegation of authority is revoked, and who shall make monthly reports of any and all such transactions to the City Council.
4. The authority of the City Council is hereby delegated to the Treasurer or Deputy Treasurer to deposit for safekeeping with a federally chartered or state chartered savings and loan association, a trust company or a state or national bank located within the State of California or with the Federal Reserve Bank of San Francisco or any branch thereof within the state, or with any Federal Reserve Bank or with any state or national bank located in any city designated as a reserve city by the Boards of Governors of the Federal Reserve System, the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants, or other evidences of indebtedness in which the Surplus Funds of the City is invested pursuant to this Resolution. The Treasurer or Deputy Treasurer shall take from such financial institution a receipt for securities so deposited. The Treasurer or Deputy Treasurer shall not be responsible for securities delivered to and receipted for by a financial institution until they are withdrawn from the financial institution by the Treasurer or Deputy Treasurer.

PASSED AND ADOPTED this 19th day of February, 2013.

Antonio Lopez, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 19th day of February, 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

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**PLEASE REFER TO
SUCCESSOR AGENCY
ITEM #4
FOR FULL REPORT**

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RECREATION AND COMMUNITY SERVICES DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator
By: Ismael Aguila, Recreation and Community Services Operations Manager

DATE: February 19, 2013

SUBJECT: Adoption of a Resolution Designating the Interim City Administrator as the City's Representative to Execute Contracts with the County of Los Angeles to Provide Services for the Elderly Nutrition Program

RECOMMENDATION:

It is recommended that the City Council adopt a Resolution (Attachment "A") designating the Interim City Administrator as the City's representative to execute contracts, and all necessary documents, with the County of Los Angeles to provide services for the Elderly Nutrition Program.

BACKGROUND:

1. For over 20 years, the Elderly Nutrition Program in San Fernando has been operated by a non-profit agency contracted by the County of Los Angeles Senior Services as part of the Older American's Act.
2. In February of 2008, the County of Los Angeles distributed a Request for Proposals (RFP) soliciting for providers to serve the City. No proposals were received that included services to the City.
3. On September 2, 2008, the County of Los Angeles notified City staff that they were not able to find a provider to continue the program. During a complex series of negotiations with the County of Los Angeles, staff confirmed that no provider was available and the City would be required to take over the program and contract directly with the County of Los Angeles.
4. In October 2008, the City commenced the administration of the Elderly Nutrition Program.
5. On December 15, 2008, the County of Los Angeles requested a board resolution from the City to authorize the execution of a contract to release funds for the Elderly Nutrition Program in San Fernando.

Approval of Contract and Adoption of Resolution Relating to the County of Los Angeles to Provide Services for the Elderly Nutrition Program

Page 2

6. On February 17, 2009, the City Council adopted a resolution authorizing the City Administrator to execute a contract, and all related documents necessary for said contract, with the County of Los Angeles to provide services for the Elderly Nutrition Program in the City.
7. In November 2011, the County of Los Angeles released an RFP to solicit service providers for the Elderly Nutrition Program. Every four years the County of Los Angeles conducts an open competitive bid process for program services with renewal application documents to be submitted.
8. On March 29, 2012, City staff was notified by the County of Los Angeles that the City was allocated funds to continue the Elderly Nutrition Program.
9. On June 28, 2012, a contract was executed by the City Administrator to provide Elderly Nutrition Program Services in San Fernando from 2012-2016.
10. On February 4, 2013, the County of Los Angeles requested a new resolution be adopted designating a City representative to execute contracts with the County of Los Angeles for providing funds for the Elderly Nutrition Program. It was requested by the County of Los Angeles for the current resolution to be signed in Fiscal Year 2012-2013 and contain the new Elderly Nutrition Program contract number: ENP-1216-013.

ANALYSIS:

Elderly Nutrition Program

Per the Federal Older Americans Act, the Elderly Nutrition Program provides one-third of the daily recommended dietary allowances. There is no income restriction for recipients, but service providers must target persons most in need. Funding limitations restrict the number of persons who can receive meals. Currently, the Elderly Nutrition Program provides the following programs:

- (1) The *Congregate Meals Program* was designed to combat both poor nutrition and social isolation among older persons. These meals are served in group settings such as senior centers or churches. Meals are often coordinated with other social services such as transportation or health screenings. There are approximately 45 meals served per day.
- (2) The *Home-Delivered Meals Program* assists people who are homebound. Designated to help prevent unnecessary institutionalization, this program helps the frail elderly maintain independence and avoid social isolation. There are approximately 37 meals served per day.

Approval of Contract and Adoption of Resolution Relating to the County of Los Angeles to Provide Services for the Elderly Nutrition Program

Page 3

Contract and Resolution

An executed contract and resolution are needed in order for the City to receive funds from the County of Los Angeles for the City's Elderly Nutrition Program. In June of 2012, a contract was signed by the City Administrator. In February of 2013, the County of Los Angeles requested that the City Council approve an updated resolution to designate and authorize the City Administrator to execute the contract and all documents necessary for said contract.

CONCLUSION:

Through the adoption of this Resolution, the City can contract with the County of Los Angeles to provide services for the Elderly Nutrition Program in San Fernando under the Older Americans Act. Staff recommends that the City Council adopt the attached Resolution designating the Interim City Administrator as the City's representative to execute contracts, and all necessary documents, with the County of Los Angeles to provide services for the Elderly Nutrition Program.

BUDGET IMPACT:

There will be no budget impact to the General Fund with the adoption of this Resolution. Funds for the Elderly Nutrition Program are being budgeted in the Grant Fund (Fund 10).

ATTACHMENT:

A. Resolution

ATTACHMENT "A"

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN FERNANDO, AUTHORIZING THE SIGNING OF A
CONTRACT WITH THE COUNTY OF LOS ANGELES FOR
PROVIDING SERVICES FOR THE ELDERLY NUTRITION
PROGRAM**

WHEREAS, the County of Los Angeles Community and Senior Services has been awarded the funds for providing services for the Elderly Nutrition Program under the Older Americans Act; and

WHEREAS, The City of San Fernando wishes to apply for Older Americans Act funds for the Elderly Nutrition Program in order to administer said services; and

WHEREAS, it is necessary that the City of San Fernando designate and authorize a representative to execute the Contract for the Older Americans Act funds on behalf of the said City of San Fernando.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Approves the execution of the Contract Number ENP-1216-013 (Exhibit "A") with the County of Los Angeles for providing services for the Elderly Nutrition Program; and

Section 2. Designates the City Administrator as the authorized representative to execute the Contract and all documents necessary to accompany said Contract, including all amendments to said Contract.

PASSED, APPROVED AND ADOPTED this 19th day of February, 2013.

Antonio Lopez, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 19th day of February, 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

EXHIBIT "A"

CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

COMMUNITY AND SENIOR SERVICES



AND CITY OF SAN FERNANDO

ENTITLED

**ELDERLY NUTRITION PROGRAM (ENP)
CONTRACT PERIOD JULY 2012 - JUNE 2016
CONTRACT NUMBER ENP-1216-013**

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Exhibit H (Contractor Employee Jury Service Program Certification Form and Application for Exception)

Exhibit I (Safely Surrendered Baby Law Fact Sheet)

UNIQUE EXHIBITS

Exhibit J (Definitions)

Exhibit K (Contract Accounting, Administration and Reporting Requirements)

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Exhibit M (Fixed and Non-Fixed Assets and Supplies Purchase, Inventory and Disposal Requirements)

Exhibit N (Inventory Control Form)

Exhibit O (Charitable Contributions Certification)

Exhibit P (Contractor's Obligations as a "Business Associate" Under the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act (Business Associate Agreement))

Exhibit Q (Certification of Compliance with County's Defaulted Property Tax Reduction Program)

Exhibit R (Contract Management System - Contractors Gateway Terms and Conditions of Use)

Exhibit S (Performance Requirements Summary Chart)

RECITALS

This Contract (and its Exhibits) is made and entered into this **1st day of July 2012** by and between the parties below:

County of Los Angeles
Community and Senior Services
(hereafter "County")

and

City of San Fernando
(hereafter "Contractor")

Contractor's Business Address:
117 McNeil Street
San Fernando, Ca 91340

WHEREAS, pursuant to California Government Code Sections 26227 and 31000, County is permitted to contract for Services; and

WHEREAS, pursuant to the provisions of the Older Americans Act (OAA) United States Code (USC), Title 42, Chapter 35, Section 3001 *et seq.* (42 USC 3001 *et seq.*) and the Older Californians Act (OCA) Welfare and Institutions Code (WIC), Division 8.5, Chapters 1-12, Section 9000 *et seq.*, the California Department of Aging (hereafter "CDA" or "State") is designated to administer the OAA Title III (Grants for State and Community Programs on Aging) Part C (Nutrition Service) Program (hereafter "Elderly Nutrition Program" or "ENP") and provide quality Services to Clients, as defined in Exhibit A (Statement of Work); and

WHEREAS, County and State have entered into an agreement, Contract Number AP-1213-19, to fund the Program Services (hereafter "Services") provided or administered by County within its jurisdictional boundaries; and

WHEREAS, County has prepared an Area Plan for Aging Program Services that details County's plan to provide or administer Services to older and functionally impaired populations within the jurisdictional boundaries of Los Angeles County; and, State has approved the Area Plan and shall provide County funds to implement the Area Plan in accordance with the OAA, the OCA and all regulations and directives thereto which are promulgated by the United States Department of Health and Human Services (HHS); and

WHEREAS, pursuant to the provisions of the agreement between County and State, County shall contract with other public agencies or private, nonprofit organizations that shall provide these Services as specified in County's Area Plan; and

WHEREAS, County and Contractor shall implement these Services in accordance with the OAA, the OCA and all regulations and directives thereto promulgated by both HHS and State; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide such Services; and

WHEREAS, Contractor shall establish and implement written administrative, management and personnel policies and procedures to govern the management and administration of the Program in order to ensure that all goals and objectives are achieved as contracted; and

WHEREAS, on May 22, 2012, the Los Angeles County Board of Supervisors authorized the Director of the County of Los Angeles Community and Senior Services, or his/her designee, to enter, execute and administer this ENP Contract;

NOW therefore, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto agree as follows:

1.0 APPLICABLE DOCUMENTS

- 1.1 Exhibits A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R and S are attached to and form a part of this Contract. This Contract and the Exhibits constitute the complete and exclusive statement of understanding between the parties, which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Paragraph 8.1 (Amendments), and signed by both parties.
- 1.2 Contractor's Proposal submitted in response to the ENP Request for Proposals (RFP) is incorporated and made part of this Contract. Contractor's misrepresentation of any required element in its proposal submitted in response to the RFP shall be considered as an event of default and the Contract may be terminated in whole or in part pursuant to available remedies provided in Paragraph 8.43 (Termination for Default).
- 1.3 The headings, page numbers, Paragraph and Sub-paragraph numbers contained in this Contract are for convenience and reference only and are not intended to define the scope of any provision herein.
- 1.4 References in this Contract to Federal, State, County and/or other governmental laws, rules, regulations, ordinances, guidelines and/or directives shall mean such laws, rules, regulations, ordinances, guidelines and/or directives as amended from time to time.
- 1.5 Unless expressly stated otherwise, all approvals, consents and determinations made by or on behalf of County, under this Contract, shall be in writing, and shall be given or made in the sole discretion of the person or County agency authorized to provide such approval or consent.
- 1.6 In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, Service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority:
 - 1.6.1 Exhibit A (Statement of Work)
 - 1.6.2 Exhibit B (Budget)
 - 1.6.3 Exhibit C (Mandated Program Services)

- 1.6.4 Exhibit D (Contractor's Equal Employment Opportunity Certification)
- 1.6.5 Exhibit E (County's Administration)
- 1.6.6 Exhibit F (Contractor's Administration)
- 1.6.7 Exhibit G (Contractor Acknowledgement and Confidentiality Agreement)
- 1.6.8 Exhibit H (Contractor Employee Jury Service Program Certification Form and Application for Exception)
- 1.6.9 Exhibit I (Safely Surrendered Baby Law Fact Sheet)
- 1.6.10 Exhibit J (Definitions)
- 1.6.11 Exhibit K (Contract Accounting, Administration and Reporting Requirements)
- 1.6.12 Exhibit L (Joint Funding Revenue Disclosure)
- 1.6.13 Exhibit M (Fixed and Non-Fixed Assets and Supplies Purchase, Inventory and Disposal Requirements)
- 1.6.14 Exhibit N (Inventory Control Form)
- 1.6.15 Exhibit O (Charitable Contributions Certification)
- 1.6.16 Exhibit P (Contractor's Obligations as a "Business Associate" Under the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act (Business Associate Agreement))
- 1.6.17 Exhibit Q (Certification of Compliance with County's Defaulted Property Tax Reduction Program)
- 1.6.18 Exhibit R (Contract Management System - Contractors Gateway Terms and Conditions of Use)
- 1.6.19 Exhibit S (Performance Requirements Summary Chart)

2.0 DEFINITIONS AND HEADINGS

- 2.1 The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. Exhibit J (Definitions) provides the meaning of key words used herein. These definitions shall be construed to have the meaning provided, unless otherwise apparent from the context in which they are used, or specifically noted herein.

3.0 WORK

- 3.1 Pursuant to the provisions of this Contract, Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, Services and other work as set forth herein.
- 3.2 If Contractor provides any tasks, deliverables, goods, Services, or other work,

other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of Contractor, and Contractor shall have no claim whatsoever against County.

- 3.3 Time is of the essence in the provision and completion of the Work provided to County as stipulated in this Contract, as is the timely conveyance of reporting deliverables to County, as also stipulated in this Contract.

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall be four (4) years commencing on July 1, 2012, upon execution by the parties, and shall continue through June 30, 2016, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2 County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether County will exercise a Contract term extension option.
- 4.3 Contractor shall notify County when this Contract is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to County's Contract Manager at the address herein provided in Exhibit E (County's Administration).

5.0 CONTRACT SUM

5.1 Firm-Fixed Contract

- 5.1.1 County and Contractor agree that this is a firm-fixed Contract based on the Unit Rate set forth in Exhibit A (Statement of Work), Exhibit B (Budget) and Exhibit C (Mandated Program Services), and that the rates shall remain firm and fixed during the term of this Contract. County shall compensate Contractor for supplying the Services as set forth in Exhibit A (Statement of Work), Exhibit B (Budget) and Exhibit C (Mandated Program Services).

5.2 Funding Allocations

5.2.1 Maximum Contract Sum

- 5.2.1.1 During the term of this Contract, Contractor shall receive funding for providing the Services outlined in this Contract (hereafter "Contract Funds"). Contract Funds shall be allocated to Contractor on an annual basis for each Fiscal Year (hereafter "Maximum Annual Contract Sum"). The Maximum Annual Contract Sum for the first Fiscal Year of this Contract is **\$84,877**. The Maximum Annual Contract Sum for each Fiscal Year following the first Fiscal Year is projected to remain at the level of **\$84,877**. The combined total of all Maximum Annual Contract Sums to be allocated during the term of the Contract is estimated to be **\$339,508** (hereafter "Maximum Contract Sum").

5.2.2 Year 1 Maximum Annual Contract Sum

- 5.2.2.1 Older Americans Act Title III C-1 funds: **\$46,803**

5.2.2.2 Older Americans Act Title III C-2 funds: **\$37,074**

5.2.2.3 Older Americans Act Title III B funds: **\$1,000**

5.2.3 Pursuant to Paragraph 8.1 (Amendments), County shall amend this Contract upon occurrence of any changes to the Contract Funds. Future allocations of Contract Funds will be contingent upon the availability and appropriation of funds from Federal, State and/or local authorities and, may be subsequently adjusted to reflect available funding.

5.3 Catalog of Federal Domestic Assistance (CFDA) Number

5.3.1 The Contract Funds are identified as Federal monies and have been assigned a CFDA Number. When Contractor and its subcontractor(s), if any, are being audited by an independent auditor, Contractor shall provide the following information that pertains to the Contract Funds to the independent auditor:

5.3.1.1 The funding source (Federal Grantor) for the Contract Funds: United States Department of Health and Human Services, Administration on Aging.

5.3.1.2 The CFDA No. for Title III Part C Contract Funds (including Title III C-1 and Title III C-2): 94.045-Special Programs for the Aging, Title III Part C (Nutrition Service).

5.3.1.3 The CFDA No. for Title III Part B Contract Funds: 93.044 - Special Programs for the Aging, Title III Part B (Grants for Supportive Services and Senior Centers).

5.4 Assumption or Takeover

5.4.1 Contractor shall not be entitled to payment or reimbursement for any tasks or Services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with County's express prior written approval.

5.5 Limitations on Contract Sums

5.5.1 Contractor shall not be paid for any Contract expenditures that exceed the Maximum Contract Sum. County has no obligation, whatsoever, to pay for any expenditures that exceed the Maximum Contract Sum. Any expenditures that exceed the Maximum Contract Sum shall become the sole fiscal responsibility of Contractor.

5.5.2 Contractor shall not be paid for any Contract expenditures that exceed the Maximum Annual Contract Sum. Contractor shall only expend Contract Funds during the Fiscal Year for which it is

allocated. When Contractor does not expend funding up to the Maximum Annual Contract Sum appropriated for the Fiscal Year, that unspent amount will not carry forward (or roll-over) to the following Fiscal Year.

5.5.3 Limitation on Use of Federal Grant Funds

5.5.3.1 Contractor shall comply with Public Law (P.L.) 101-121 (31 USC 1352), its amendments or revisions, and any implementing regulations prohibiting the use of Federal money to influence or attempt to influence a member of Congress, Congressional staff, or a Federal employee to award, make or amend any Federal contract, grant, loan or cooperative agreement. Contractor shall also comply with all certification and disclosure requirements of P.L. 101-121, its amendments, revisions, and implementing regulations and shall provide assurance that all subcontractors or sub-grantees under this Contract also fully comply with such certification and disclosure requirements.

5.5.4 No materials, property, or Services contributed to County or Contractor under this Contract shall be used in the performance of any of the following: any political activity; the election of any candidate or the defeat of any candidate for public office; and, no materials, property, or Services contributed to County or Contractor under this Contract shall be used for the transportation of any voters or prospective voters to polls or other similar assistance in connection with an election or any voter registration activity.

5.6 75% of Contract Authorization

5.6.1 Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred 75% of the total Contract authorization under this Contract (the Maximum Annual Contract Sum and the Maximum Contract Sum). Upon occurrence of this event, Contractor shall send written notification to County's Contract Manager at the address herein provided in Exhibit E (County's Administration).

5.7 No Payment for Services Provided Following Expiration or Termination of Contract

5.7.1 Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any Service provided by Contractor after the expiration or other termination of this Contract. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for Services rendered after expiration or termination of this Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Contract.

5.8 Other Contracts

5.8.1 Contractor shall immediately notify County's Contract Manager in writing of any contracts between Contractor and other public or

private organizations which directly impact activities funded under this Contract. A copy of any such contracts shall be kept on file at Contractor's offices and shall be provided to County upon request. Contractor shall also immediately notify County's Contract Manager in writing of any default, termination, or finding of withheld payments under such contracts between Contractor and other public or private organizations which directly impact activities funded under this Contract.

- 5.8.2 Contractor warrants that no other funding source will be billed for Services that are provided to and paid for by County under this Contract.

5.9 Joint Funding Revenues

- 5.9.1 Funds made available under this Contract shall supplement and not supplant any Federal, State or local funds expended by Contractor to provide Program Services. Contractor certifies that it has applied, or expects to apply, to offset in whole or in part, any of the costs incurred by Contractor in conducting current or prospective projects or business activities, including, but not necessarily limited to, the project or business activity which is the subject of this Contract. Contractor shall complete Exhibit L (Joint Funding Revenue Disclosure). Prior to the commencement of the Contract (and annually thereafter), Contractor shall submit the completed Exhibit L (Joint Funding Revenue Disclosure) to County's Contract Manager in the time and manner as designated by County.

5.10 Invoices and Payments

- 5.10.1 Contractor shall invoice County only for providing the tasks, deliverables, goods, Services, and other work specified in Exhibit A (Statement of Work), Exhibit C (Mandated Program Services) and elsewhere hereunder. Contractor shall prepare invoices, which shall include the charges owed to Contractor by County under the terms of this Contract. Contractor's payments shall be as provided in Exhibit C (Mandated Program Services), and Contractor shall be paid only for the tasks, deliverables, goods, Services, and other work approved in writing by County. If County does not approve the Work in writing, no payment shall be due to Contractor for that Work.
- 5.10.2 Contractor's invoices shall be priced in accordance with Exhibit C (Mandated Program Services).
- 5.10.3 Contractor's invoices shall contain the information set forth in Exhibit A (Statement of Work) and Exhibit C (Mandated Program Services) describing the tasks, deliverables, goods, Services, work hours, and facility and/or other work for which payment is claimed.
- 5.10.4 Contractor shall submit monthly invoices to County by the 10th calendar day of the month following the month of Service (e.g., Contractor shall submit an invoice for Services provided in October by November 10th for reimbursement). Contractor shall also submit the final, year-end invoice to County no later than the 10th calendar day of the month following the month in which Services were provided. In the event that the 10th calendar day

falls on a non-business day (Saturday, Sunday or Los Angeles County holiday), Contractor shall submit the invoice by the following business day. County reserves the right to modify the due date(s) for the submission of invoices as needed in order to meet regulatory deadlines.

5.10.5 Contractor shall electronically submit to County all invoices for Contractor's Work performed under the requirements of the Contract. Contractor shall not submit manually prepared invoices unless directed, in writing, by County. Contractor shall use County's automated Social Assistance Management System (SAMS) pursuant to the requirements outlined in Exhibit A (Statement of Work).

5.10.6 Expenditures made by Contractor in the operation of this Contract shall be in compliance and in conformity with applicable Office of Management and Budget (OMB) Circulars, as well as applicable provisions of the Code of Federal Regulations (CFR). Contractor shall comply with the Administrative Requirements and Cost Principles which are outlined in Exhibit K (Contract Accounting, Administration and Reporting Requirements), and shall adhere to strict administrative and fiscal standards described therein, and shall comply with Title 45 CFR Part 92 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments), the Cost Principles of OMB Circular A-21 for governments, OMB Circular A-122 for non-profit organizations, OMB Circular A-102 for grants and cooperative contracts with state and local government agencies, OMB Circular A-133 for audits of states, local governments and non-profit organizations, and OMB Circular A-110 for uniform administrative requirements for grants and contracts with institutions of higher education, hospitals, and other non-profit organizations. Contractor shall be responsible for obtaining the most recent version of these Circulars, which are available via the Internet at <http://www.whitehouse.gov/omb/circulars/index.html>.

5.10.7 **Payments to Contractor**

5.10.7.1 Payment to Contractor will be made in arrears on a monthly basis for Services performed, provided that Contractor is not in default under any provision of this Contract. County has no obligation to pay for any work except those Services expressly authorized by this Contract.

5.10.7.2 All payments for Services provided under the terms of this Contract shall be made to Contractor using Contractor's legal name and tax payer identification number. Contractor shall not request payments to be made to third-party vendors (i.e., subcontractors) or any vendor which Contractor may use in the performance of this Contract. For purposes of this Contract, Contractor's legal name is identified as the name on Contractor's articles of incorporation, charter or other legal document that was used to create Contractor's organization.

5.10.7.3 **Direct Deposit Requirements**

- 5.10.7.3.1 In an effort to reduce costs, Contractor shall receive payments through direct deposit and shall adhere to County's direct deposit requirements. Contractor shall complete a direct deposit authorization form and submit it to County's Contract Manager in the time and manner as prescribed by County.

5.10.7.4 Past Due Invoice

- 5.10.7.4.1 Any invoice submitted more than thirty (30) days after the last day of the month in which the Services were rendered shall constitute a "past due invoice". Notwithstanding any other provision of this Contract, Contractor and County agree that County shall have no obligation whatsoever to pay any past due invoices. County may, in its sole discretion, pay some or all of a past due invoice which Contractor has submitted, provided that sufficient funds remain available under this Contract.

- 5.10.8 Contractor's failure to timely submit Contract-related documents that are accurate and complete, as requested or required by County, may result in suspension of payments to Contractor or other remedies provided by law or this Contract. Such documents shall include, but are not limited to, the following:

- 5.10.8.1 Exhibit B (Budget); Exhibit D (Contractor's Equal Employment Opportunity Certification); Exhibit F (Contractor's Administration); Exhibit G (Contractor Acknowledgement and Confidentiality Agreement); Exhibit H (Contractor Employee Jury Service Program Certification Form and Application for Exception); Exhibit L (Joint Funding Revenue Disclosure); Exhibit N (Inventory Control Form); Exhibit O (Charitable Contributions Certification); Exhibit Q (Certification of Compliance with County's Defaulted Property Tax Reduction Program);

- 5.10.8.2 Those documents outlined in Exhibit A (Statement of Work), Paragraph 6.0 (Fiscal) and Paragraph 22.0 (Contract Document Deliverables).

- 5.10.9 Contractor is responsible for the accuracy of invoices submitted to County. Contractor shall reconcile its invoices and correct inaccuracies or inconsistencies in the invoices it submits to County. Contractor and County agree as follows:

5.10.9.1 When County or its designee discovers that Contractor has been overpaid, County will send Contractor written notification to request return of the overpayment. Overpayment includes, but is not limited to, payment(s) made to Contractor that exceeds either the Maximum Annual Contract Sum or the Maximum Contract Sum. Contractor shall return such overpayment to County within thirty (30) days of receiving County's written notification.

5.10.9.2 When Contractor receives or discovers any overpayment from County, Contractor shall immediately notify County in writing of such overpayment. Contractor shall immediately return such overpayment to County within thirty (30) days of receiving or discovering the overpayment.

5.10.9.3 At County's sole election, overpayment made to Contractor may be used to offset future payments due Contractor.

5.10.10 County Approval of Invoices

5.10.10.1 All invoices submitted by Contractor for payment must have the written approval of County's Contract Manager prior to any payment thereof. In no event shall County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

5.10.11 Local Small Business Enterprise (Local SBE) - Prompt Payment Program

5.10.11.1 When Contractor is certified as a Local SBE, Contractor will receive prompt payment for Services provided to County. Prompt payment is defined as fifteen (15) calendar days after receipt of an undisputed invoice.

5.11 Cost of Living Adjustments

5.11.1 The Contract amount (hourly, daily, monthly, Unit Rate, etc.) may be adjusted at County's sole discretion based on the increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area for the most recently published percentage change for the 12-month period preceding the Contract anniversary date, which shall be the effective date for any cost of living adjustment. However, any increase shall not exceed the general salary movement granted to County employees as determined by the Chief Executive Office as of each July 1 for the prior 12-month period. Furthermore, should fiscal circumstances ultimately prevent the Board of Supervisors from approving any increase in County employee salaries, no cost of living adjustments will be granted.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

6.1 County Administration

- 6.1.1 A listing of all County Administration referenced in the following Paragraphs is provided in Exhibit E (County's Administration). County shall notify Contractor in writing of any change in the names or addresses shown.

6.2 County's Contract Manager

- 6.2.1 Responsibilities of County's Contract Manager include:

- 6.2.1.1 ensuring that the objectives of this Contract are met;
- 6.2.1.2 providing direction to Contractor in the areas relating to County policy, information requirements, and procedural requirements;
- 6.2.1.3 making revisions which do not materially affect the terms and conditions of this Contract in accordance with Paragraph 9.8 (Modifications); and
- 6.2.1.4 acting on behalf of County with respect to approval of subcontracts and subcontractor employees working on this Contract.

6.3 County's Program Manager

- 6.3.1 The responsibilities of County's Program Manager include:

- 6.3.1.1 meeting with Contractor's Project Director on a regular basis; and
- 6.3.1.2 inspecting any and all tasks, deliverables, goods, Services, or other work provided by or on behalf of Contractor.

- 6.3.2 County's Program Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

6.4 County's Compliance Manager

- 6.4.1 County's Compliance Manager is responsible for conducting monitoring activities, verifying Contractor's compliance with the requirements of this Contract and overseeing the delivery of Services.

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor's Project Director

- 7.1.1 Contractor's Project Director is designated in Exhibit F (Contractor's Administration). Contractor shall notify County's Contract Manager in writing of any change in the name or address of Contractor's Project Director.
- 7.1.2 Contractor's Project Director shall be responsible for Contractor's day-to-day activities as related to this Contract and shall coordinate with County's Contract Manager, County's Program Manager and County's Compliance Manager on a regular basis.

- 7.1.3 Contractor's Project Director must have the qualifications and experience identified in Exhibit A (Statement of Work).
- 7.2 Approval of Contractor's Staff**
- 7.2.1 County has the absolute right to approve or disapprove all of Contractor's staff performing Work hereunder and any proposed changes in Contractor's staff, including, but not limited to, Contractor's Project Director.
- 7.3 Contractor's Staff Identification**
- 7.3.1 Contractor shall provide, at Contractor's expense, all staff providing Services under this Contract with a photo identification badge (hereafter "badge"). The badge shall be developed in accordance with County's specifications. Contractor shall obtain approval for the format and content of the badge from County's Program Manager prior to Contractor creating, issuing, or implementing use of the badge.
- 7.3.2 Contractor's staff, while on duty or when entering County facilities or grounds, shall prominently display the badge on the upper part of the body. Contractor's staff may be asked to leave a County facility by a County representative if they do not have the photo identification badge on their person.
- 7.3.3 Contractor shall notify County's Contract Manager within five (5) days when staff is terminated from working under this Contract. Contractor shall retrieve and immediately destroy the employee's badge upon the employee's termination of employment with Contractor.
- 7.3.4 If County requests the removal of Contractor's staff, Contractor shall retrieve and immediately destroy an employee's badge at the time the employee is removed from working on this Contract.
- 7.4 Background and Security Investigations**
- 7.4.1 Each of Contractor's staff performing Services under this Contract who is in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform Services under this Contract. Such background investigation may include, but shall not be limited to, criminal conviction information obtained through fingerprints submitted to the California Department of Justice. The fees associated with the background investigation shall be at the expense of Contractor, regardless if the member of Contractor's staff passes or fails the background investigation. For purposes of this Contract, a sensitive position is one in which the duties pose a potential threat or risk to Client when performed by persons who have a criminal history incompatible with those duties, whether those persons are employees of Contractor or other individuals who perform Services on behalf of Contractor pursuant to this Contract. For Work performed under this Contract, sensitive positions include the following:

- 7.4.1.1 Positions that involve the care, oversight, or protection of persons through direct contact with such persons (e.g., social worker, case manager, etc.).
- 7.4.1.2 Positions having direct or indirect access to funds or negotiable instruments (e.g., finance manager, accountant, bookkeeper, etc.).
- 7.4.1.3 Positions that require State and/or professional licensing (e.g., Certified Public Accountant, etc.).
- 7.4.1.4 Positions that have access to confidential or classified information including criminal conviction information (e.g., human resources manager, etc.).
- 7.4.1.5 Positions that involve the care, oversight, or protection of County, public, or private property (e.g., property custodian, etc.).
- 7.4.2 If a member of Contractor's staff does not pass the background investigation, County may request that the member of Contractor's staff be immediately removed from performing Services under this Contract at any time during the term of this Contract. County will not provide to Contractor or to Contractor's staff any information obtained through County's background investigation.
- 7.4.3 County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of County or whose background or conduct is incompatible with County facility access.
- 7.4.4 No personnel employed by Contractor for this Contract shall be on active probation, currently on parole or have been on probation or parole within the last three (3) years.
- 7.4.5 Contractor and its staff, including all current and prospective employees, independent contractors, volunteers or subcontractors who may come in contact with people in the course of their work, volunteer activity, or performance of a subcontract, providing Services under this Contract shall be under a continuing obligation to disclose any prior or subsequent criminal conviction record or any pending criminal trial to County's Contract Manager. Contractor shall inform its staff, including all current and prospective employees, independent contractors, volunteers or subcontractors who may come in contact with people in the course of their work, volunteer activity, or performance of a subcontract, providing Services under this Contract of said obligation. Contractor shall maintain records of criminal convictions and/or pending criminal trials in the file of each such person.
- 7.4.6 Contractor shall immediately notify County's Contract Manager of any arrest and/or subsequent conviction, other than for minor traffic offenses, of any Contractor staff, independent contractor,

volunteer staff or subcontractor who may come in contact with children, elderly individuals or dependent adults while providing Services under this Contract when such information becomes known to Contractor. Contractor shall not engage or continue to engage the services of any person convicted of any crime involving harm to minors, or any crime involving conduct inimical to the health, morals, welfare or safety of others, including but not limited to, the offenses specified in the Health and Safety Code, Section 11590 (i.e., offenses requiring registration as a controlled substance offender) and those crimes listed in the Penal Code which involve murder, rape, kidnap, abduction, assault and lewd and lascivious acts.

- 7.4.7 Disqualification of any member of Contractor's staff pursuant to this Paragraph 7.4 shall not relieve Contractor of its obligation to complete all Work in accordance with the terms and conditions of this Contract.

7.5 Confidentiality

- 7.5.1 Contractor shall maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

- 7.5.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.5, Exhibit P (Contractor's Obligations as a "Business Associate" Under the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act (Business Associate Agreement)), and Exhibit G (Contractor Acknowledgement and Confidentiality Agreement), as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 7.5 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

- 7.5.3 Contractor shall inform all of its officers, employees, agents and subcontractors providing Services hereunder of the

confidentiality provisions of this Contract.

- 7.5.4 Contractor shall sign and also adhere to the provisions of Exhibit G (Contractor Acknowledgement and Confidentiality Agreement).

8.0 STANDARD TERMS AND CONDITIONS

8.1 AMENDMENTS

- 8.1.1 For any change which affects the scope of Work, term, Contract Sum, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by Contractor and by County's Department Head or his/her designee.
- 8.1.2 County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in this Contract during the term of this Contract. County reserves the right to add and/or change such provisions as required by County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to this Contract shall be prepared and executed by Contractor and by County's Department Head or his/her designee.
- 8.1.3 County's Department Head or his/her designee, may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 (Term of Contract). Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to this Contract shall be prepared and executed by Contractor and by County's Department Head or his/her designee.
- 8.1.4 The following events shall also warrant an Amendment to this Contract as described in this Paragraph 8.1:
- 8.1.4.1 County may make a unilateral modification to this Contract at any time, if required by Federal, State or County laws or policies, and shall immediately notify Contractor of said modification and the justification thereto.
- 8.1.4.2 To the extent that funding for the Program is eliminated or otherwise reduced, or the Program is terminated for any reason, County may in its sole discretion amend this Contract accordingly.

8.2 ASSIGNMENT AND DELEGATION

- 8.2.1 Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Paragraph 8.2, County consent shall require a written Amendment to the Contract, which is formally approved and executed by the parties. Any payments by County to any approved delegate or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims, which Contractor may have

against County.

8.2.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.

8.2.3 Any assumption, assignment, delegation, or takeover of any of Contractor's duties, responsibilities, obligations, or performance of same by any entity other than Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of this Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

8.3 AUTHORIZATION WARRANTY

8.3.1 Contractor represents and warrants that the person executing this Contract for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation of this Contract and that all requirements of Contractor have been fulfilled to provide such actual authority.

8.4 BUDGET REDUCTIONS

8.4.1 In the event that County's Board of Supervisors adopts, in any Fiscal Year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation under this Contract correspondingly for that Fiscal Year and any subsequent Fiscal Year during the term of this Contract (including any extensions), and the Services to be provided by Contractor under this Contract shall also be reduced correspondingly. County's notice to Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, Contractor shall continue to provide all of the Services set forth in this Contract.

8.5 COMPLAINTS

8.5.1 Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints. Within fifteen (15) business days after Contract effective date, Contractor shall provide County's Contract Manager with Contractor's policy for receiving, investigating and responding to Client complaints.

- 8.5.2 County will review Contractor's policy and provide Contractor with approval of said plan or with requested changes.
- 8.5.3 If County requests changes in Contractor's policy, Contractor shall make such changes and resubmit the plan within five (5) business days for County approval.
- 8.5.4 If, at any time, Contractor wishes to change Contractor's policy, Contractor shall submit proposed changes to County's Contract Manager for approval before implementation.
- 8.5.5 Contractor shall preliminarily investigate all complaints and notify County's Compliance Manager of the status of the investigation within ten (10) business days of receiving the complaint.
- 8.5.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 8.5.7 Copies of all written responses shall be sent to County's Compliance Manager within five (5) business days of mailing to the complainant.
- 8.5.8 Contractor shall provide Client an opportunity to anonymously submit a grievance directly to County's Compliance Manager. Contractor shall ensure that the contact information of County's Compliance Manager is posted in a publicly accessible area and also provided to Client in writing.
- 8.5.9 Contractor shall provide County an opportunity to consider any grievance whether it is anonymously submitted to County by Client or if it's a grievance that cannot be resolved by Contractor. At County's sole discretion, County's written decision regarding the grievance shall be final and irrevocable.
- 8.5.10 At a minimum, Contractor shall incorporate the procedures and provisions of this Paragraph 8.5 in its written grievance policies.

8.6 COMPLIANCE WITH APPLICABLE LAWS

- 8.6.1 In the performance of this Contract, Contractor shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.
- 8.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 8.6 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County.

Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

8.6.3 Contractor certifies and agrees that it fully complies with all applicable requirements of the Program regulations, rules, ordinances, court rules, municipal laws, directives, policies and procedures issued pursuant to the enabling statute(s) and/or Federal, State and County regulations and laws. Contractor shall also comply with all subsequent revisions, modifications, and administrative and statutory changes made thereto by Federal, State and County authorities. Contractor's compliance with applicable laws and regulations includes, but is not limited to, adherence to applicable OMB Circulars, CFRs and mandatory standards and policies relating to energy efficiency in the State Energy Conservation Plan (Title 24, California Administrative Code) and compliance with Section 306 of the Clean Air Act (42 USC 1857[h]), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738 and Environmental Protection Agency regulations (40 CFR Part 15). County reserves the right to review Contractor's procedures to ensure that they comply with the statutes, ordinances, regulations, rules, rulings, policies and procedures of the Federal, State and County authorities, as applicable.

8.6.4 Contractor's failure to comply with such regulations, rules, ordinances, court rules, municipal laws, directives, policies and procedures outlined in this Paragraph 8.6 and the provisions, requirements or conditions of this Contract, including but not limited to, performance documentation, reporting, audit and evaluation requirements shall be material breach of this Contract and may result in termination of this Contract or other remedies available herein.

8.7 COMPLIANCE WITH CIVIL RIGHTS LAWS

8.7.1 Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964 (42 USC 2000 (e)(1) through (e) (17)), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. Contractor shall comply with Exhibit D (Contractor's Equal Employment Opportunity Certification). Prior to the commencement of this Contract, Contractor shall submit the completed Exhibit D to County's Contract Manager in the time and manner as designated by County.

8.8 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

8.8.1 Jury Service Program

- 8.8.1.1 This Contract is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service (hereafter "Jury Service Program") as codified in Los Angeles County Code Sections 2.203.010 through 2.203.090, a copy of which is attached in Exhibit H (Contractor Employee Jury Service Program Certification Form and Application for Exception) and incorporated by reference into and made a part of this Contract.

8.8.2 Written Employee Jury Service Policy

- 8.8.2.1 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Los Angeles County Code Section 2.203.020) or that Contractor qualifies for an exception to the Jury Service Program (Los Angeles County Code Section 2.203.070), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fees received for jury service.

- 8.8.2.2 For purposes of this Paragraph 8.8, "Contractor" means a person, partnership, corporation or other entity which has a contract with County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one (1) or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform Services for County under the Contract, the subcontractor shall also be subject to the provisions of this Paragraph 8.8. The provisions of this Paragraph 8.8, shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

- 8.8.2.3 If Contractor is not required to comply with the Jury Service Program when the Contract commences,

Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County's Contract Manager if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate, to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

- 8.8.2.4 Contractor's violation of this Paragraph 8.8 of this Contract may constitute a material breach of this Contract. In the event of such material breach, County may, in its sole discretion, terminate this Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.9 CONFLICT OF INTEREST

- 8.9.1 No County employee whose position with County enables such employee to influence the award of this Contract or any competing contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of Contractor who may financially benefit from the performance of Work hereunder shall in any way participate in County's approval, or ongoing evaluation, of such Work, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such Work.
- 8.9.2 Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. Contractor warrants that it is not now aware of any facts that create a conflict of interest. If Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Paragraph 8.9 shall be a material breach of this Contract.

8.10 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS OR ON RE-EMPLOYMENT LIST

- 8.10.1 Should Contractor require additional or replacement personnel after the effective date of this Contract to perform the Services set forth herein, Contractor shall give first consideration for such employment openings to qualified, permanent County employees

who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

8.11 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

8.11.1 Should Contractor require additional or replacement personnel after the effective date of this Contract, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to Contractor.

8.11.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.12 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.12.1 Responsible Contractor

8.12.1.1 A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform this Contract. It is County's policy to conduct business only with responsible contractors.

8.12.2 Los Angeles County Code Chapter 2.202

8.12.2.1 Contractor is hereby notified that, in accordance with Los Angeles County Code Chapter 2.202, if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the Contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

8.12.3 Non-responsible Contractor

8.12.3.1 County may debar Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which

indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

8.12.4 **Contractor Hearing Board**

- 8.12.4.1 If there is evidence that Contractor may be subject to debarment, County will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- 8.12.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and County shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
- 8.12.4.3 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 8.12.4.4 If Contractor has been debarred for a period longer than five (5) years, Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.
- 8.12.4.5 The Contractor Hearing Board will consider a request for review of a debarment determination only where: (1) Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3)

the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

- 8.12.4.6 The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 **Subcontractors of Contractor**

- 8.12.5.1 These terms shall also apply to subcontractors of County contractors.

- 8.12.6 Contractor hereby acknowledges that County is prohibited from contracting with and/or making sub-awards to parties that are suspended, debarred, ineligible, or excluded from securing Federally-funded contracts. By executing this Contract, Contractor certifies that neither it nor any of its owners, officers, partners, directors, or other principals is currently suspended, debarred, ineligible, or excluded from securing Federally-funded contracts. Further by executing this Contract, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director or other principal of any subcontractors is currently suspended, debarred, ineligible, or excluded from securing Federally-funded contracts. During the term of this Contract, Contractor shall immediately notify County in writing should it or any of its subcontractors or any principals of either be suspended, debarred, ineligible, or excluded from securing Federally-funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Contract upon which County may immediately terminate or suspend this Contract.

8.13 **CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW**

- 8.13.1 Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage all County contractors to voluntarily post County's "Safely Surrendered Baby Law" poster in a prominent position at Contractor's place of business. Contractor will also encourage its subcontractors, if any, to post this poster in a prominent

position in the subcontractor's place of business. The County's Department of Children and Family Services will supply Contractor with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

8.14 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.14.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through this Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

8.14.2 As required by County's Child Support Compliance Program (Los Angeles County Code Chapter 2.200) and without limiting Contractor's duty under this Contract to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC 653(a)) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.15 COUNTY'S QUALITY ASSURANCE PLAN

8.15.1 County or its agent will evaluate Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which County determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this Contract or impose other penalties as specified in this Contract.

8.16 DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS

8.16.1 Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by Contractor or employees or agents of Contractor. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.16.2 If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand.

8.17 EMPLOYMENT ELIGIBILITY VERIFICATION

8.17.1 Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing Work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain, from all employees performing Work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.17.2 Contractor shall indemnify, defend, and hold harmless, County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing Work under this Contract.

8.18 FACSIMILE REPRESENTATIONS

8.18.1 County and Contractor hereby agree to regard facsimile representations of original signatures (i.e., electronic signatures) of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Paragraph 8.1 (Amendments) and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

8.19 FAIR LABOR STANDARDS

8.19.1 Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for Work performed by Contractor's employees for which County may be found jointly or solely liable.

8.20 FORCE MAJEURE

8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this Paragraph 8.20 as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or Services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this Paragraph 8.20, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

8.20.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or Services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 GOVERNING LAW, JURISDICTION, AND VENUE

8.21.1 This Contract shall be governed by, and construed in accordance with, the laws of the State of California. Contractor agrees and consents to the exclusive jurisdiction, including personal jurisdiction, of the courts of the State of California for all purposes regarding this Contract, and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.22 INDEPENDENT CONTRACTOR STATUS

8.22.1 This Contract is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing Work pursuant to this Contract all compensation and benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Contractor.

8.22.3 Contractor understands and agrees that all persons performing Work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of Contractor and not employees of County. Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any Work performed by or on behalf of Contractor pursuant to this Contract.

8.22.4 Contractor shall adhere to the provisions stated in Paragraph 7.5 (Confidentiality).

8.23 INDEMNIFICATION

- 8.23.1 Contractor shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Contract.

8.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

- 8.24.1 Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Paragraph 8.24 and Paragraph 8.25 (Insurance Coverage) of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. County in no way warrants that the Required Insurance is sufficient to protect Contractor for liabilities which may arise from or relate to this Contract.

Evidence of Coverage and Notice to County

- 8.24.1.1 Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) have been given Insured status under Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing Services under this Contract.
- 8.24.1.2 Renewal Certificates shall be provided to County not less than ten (10) days prior to Contractor's policy expiration dates. County reserves the right to obtain complete, certified copies of any required Contractor and/or subcontractor insurance policies at any time.
- 8.24.1.3 Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding \$50,000.00 dollars, and list any County required endorsement forms.

8.24.1.4 Neither County's failure to obtain, nor County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

8.24.1.5 Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles

Community and Senior Services

Contracts Management Division

Attention: County's Contract Manager

3175 West Sixth Street

Los Angeles, CA 90020

8.24.1.6 Contractor also shall promptly report to County's Contract Manager any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County's Contract Manager of any third-party claim or suit filed against Contractor or any of its subcontractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.24.2 Additional Insured Status and Scope of Coverage

8.24.2.1 The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of Contractor's acts or omissions, whether such liability is attributable to Contractor or to County. The full policy limits and scope of protection also shall apply to County and its Agents as an additional insured, even if they exceed County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable

providing it satisfies the Required Insurance provisions herein.

8.24.3 Cancellation of or Changes in Insurance

8.24.3.1 Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of this Contract, in the sole discretion of County, upon which County may suspend or terminate this Contract.

8.24.4 Failure to Maintain Insurance

8.24.4.1 Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach.

8.24.5 Insurer Financial Ratings

8.24.5.1 Coverage shall be placed with insurers acceptable to County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

8.24.6 Contractor's Insurance Shall Be Primary

8.24.6.1 Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.24.7 Waivers of Subrogation

8.24.7.1 To the fullest extent permitted by law, Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.8 Subcontractor Insurance Coverage Requirements

8.24.8.1 Contractor shall include all subcontractors as insureds under Contractor's own policies, or shall

provide County with each subcontractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and shall require that each subcontractor name County and Contractor as additional insureds on the subcontractor's General Liability policy. Contractor shall obtain County's prior review and approval of any subcontractor request for modification of the Required Insurance.

8.24.9 Deductibles and Self-Insured Retentions (SIRs)

8.24.9.1 Contractor's policies shall not obligate County to pay any portion of any Contractor deductible or SIR. County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.24.10 Claims Made Coverage

8.24.10.1 If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Contract. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

8.24.11 Application of Excess Liability Coverage

8.24.11.1 Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.12 Separation of Insureds

8.24.12.1 All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.13 Alternative Risk Financing Programs

8.24.13.1 County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.24.14 County Review and Approval of Insurance Requirements

- 8.24.14.1 County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

8.25 INSURANCE COVERAGE

8.25.1 Commercial General Liability

- 8.25.1.1 Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

8.25.2 Automobile Liability

- 8.25.2.1 Insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 Workers Compensation and Employers' Liability

- 8.25.3.1 Insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any Federal workers or workmen's compensation law or any Federal occupational disease law.

8.25.4 Crime Coverage

- 8.25.4.1 A Fidelity Bond or Crime Insurance policy with limits of not less than \$50,000 per occurrence. Such coverage shall protect against all loss of money, securities, or other valuable property entrusted by County to Contractor, and apply to all of Contractor's directors, officers, agents and

employees who regularly handle or have responsibility for such money, securities or property. County and its Agents shall be named as an Additional Insured and Loss Payee as its interests may appear. This insurance shall include third-party fidelity coverage, include coverage for loss due to theft, mysterious disappearance, and computer fraud/theft, and shall not contain a requirement for an arrest and/or conviction.

8.25.5 Professional Liability/Errors and Omissions

8.25.5.1 Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Contract's expiration, termination or cancellation.

8.25.6 Property Coverage

8.25.6.1 Contractors given exclusive use of County owned or leased property shall carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. County and its Agents shall be named as an Additional Insured and Loss Payee on Contractor's insurance as its interests may appear. Automobiles and mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be insured for their full replacement value.

8.25.7 Sexual Misconduct Liability

8.25.7.1 Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$2 million per claim and \$2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

8.26 LIQUIDATED DAMAGES

8.26.1 If, in the judgment of County's Department Head, or his/her designee, Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, County's Department Head, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from Contractor's invoice for Work not performed. A description of the Work not performed and the amount to be withheld or deducted from payments to Contractor from County, will be forwarded to Contractor by County's Department Head, or his/her designee, in a written notice describing the reasons for said action.

- 8.26.2 If County's Department Head, or his/her designee, determines that there are deficiencies in the performance of this Contract that County's Department Head, or his/her designee, deems are correctable by Contractor over a certain time span, County's Department Head, or his/her designee, will provide a written notice to Contractor to correct the deficiency within specified time frames. Should Contractor fail to correct deficiencies within said time frame, County's Department Head, or his/her designee, may:
- 8.26.2.1 Deduct from Contractor's payment, pro rata, those applicable portions of the monthly Contract Sum; and/or
 - 8.26.2.2 Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages per day per infraction shall be 0.25% of the Maximum Annual Contract Sum, and that Contractor shall be liable to County for liquidated damages in said amount. Said amount shall be deducted from County's payment to Contractor; and/or
 - 8.26.2.3 Upon giving five (5) days notice to Contractor for failure to correct the deficiencies, County may correct any and all deficiencies and the total costs incurred by County for completion of the Work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to Contractor from County, as determined by County.
- 8.26.3 The action noted in Sub-paragraph 8.26.2 shall not be construed as a penalty, but as adjustment of payment to Contractor to recover County cost due to the failure of Contractor to complete or comply with the provisions of this Contract.
- 8.26.4 This Paragraph 8.26 shall not, in any manner, restrict or limit County's right to damages for any breach of this Contract provided by law or as specified in Exhibit S (Performance Requirements Summary Chart) or Sub-paragraph 8.26.2, and shall not, in any manner, restrict or limit County's right to terminate this Contract as agreed to herein.
- 8.27 MOST FAVORED PUBLIC ENTITY**
- 8.27.1 If Contractor's prices decline, or should Contractor at any time during the term of this Contract provide the same goods or Services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to County.
- 8.28 NON-DISCRIMINATION AND AFFIRMATIVE ACTION**

- 8.28.1 Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.
- 8.28.2 Contractor shall certify to, and comply with, the provisions of Exhibit D (Contractor's Equal Employment Opportunity Certification).
- 8.28.3 Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 8.28.4 Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 8.28.5 Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.28.6 Contractor shall allow County representatives access to Contractor's employment records during County's regular business hours to verify compliance with the provisions of this Paragraph 8.28 when so requested by County.
- 8.28.7 If County finds that any provisions of this Paragraph 8.28 have been violated, such violation shall constitute a material breach of this Contract upon which County may terminate or suspend this Contract. While County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Contract.
- 8.28.8 The parties agree that in the event Contractor violates any of the anti-discrimination provisions of this Contract, County shall, at its sole option, be entitled to the sum of \$500 for each such violation

pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.29 NON-EXCLUSIVITY

8.29.1 Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Contract shall not restrict County from acquiring similar, equal or like goods and/or Services from other entities or sources.

8.30 NOTICE OF DELAYS

8.30.1 Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.31 NOTICE OF DISPUTES

8.31.1 Contractor shall bring to the attention of County's Program Manager and/or County's Contract Manager any dispute between County and Contractor regarding the performance of Services as stated in this Contract. If County's Program Manager or County's Contract Manager is not able to resolve the dispute, County's Department Head, or his/her designee shall resolve it.

8.32 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

8.32.1 Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service (IRS) Notice 1015. Contractor shall obtain the most current version of IRS Notice 1015 on-line at the IRS website: www.irs.gov.

8.33 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

8.33.1 Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit I (Safely Surrendered Baby Law Fact Sheet), of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

8.34 NOTICES

8.34.1 All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand-delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibit E (County's Administration) and Exhibit F (Contractor's Administration). Addresses may be

changed by either party giving ten (10) days' prior written notice thereof to the other party. County's Contract Manager, or his/her designee shall have the authority to issue all notices or demands required or permitted by County under this Contract.

8.35 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

- 8.35.1 Notwithstanding the above, Contractor and County agree that, during the term of this Contract and for a period of one (1) year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.36 PUBLIC RECORDS ACT

- 8.36.1 Any documents submitted by Contractor, all information obtained in connection with County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to Paragraph 8.38 (Record Retention and Inspection/Audit Settlement) of this Contract, as well as those documents which were required to be submitted in response to the solicitation process used for this Contract, become the exclusive property of County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 *et seq.* (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.
- 8.36.2 In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", Contractor agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in an action or liability arising under the Public Records Act.

8.37 PUBLICITY

- 8.37.1 Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing Contractor's need to identify its Services and related Clients to sustain itself, County shall not inhibit Contractor from publishing its role under this Contract within the following conditions:
- 8.37.1.1 Contractor shall develop all publicity material in a professional manner; and

8.37.1.2 During the term of this Contract, Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of County's Contract Manager. County shall not unreasonably withhold written consent.

8.37.2 Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this Paragraph 8.37 shall apply.

8.37.3 Contractor shall not use or display the official seal of the County of Los Angeles or the logo of Community and Senior Services on any of its letterhead or other communications with any debtor, or for any other reason, unless each form of usage has prior written approval of the Los Angeles County Board of Supervisors.

8.38 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

8.38.1 Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. Contractor agrees that County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by Contractor and shall be made available to County during the term of this Contract and for a period of five (5) years thereafter unless County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at County's option, Contractor shall pay County for travel, per diem, and other costs incurred by County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.38.1.1 Contractor agrees that County, HHS, State, the Comptroller of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers and records of Contractor that are directly pertinent to this Contract (as determined by County, HHS, State and the Comptroller of the United States) for the purpose of making audit, examination, excerpts and transcriptions.

8.38.2 In the event that an audit of Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any

auditor or accountant employed by Contractor or otherwise, then Contractor shall file a copy of such audit report with County's Compliance Manager within thirty (30) days of Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.38.3 Failure on the part of Contractor to comply with any of the provisions of this Paragraph 8.38 shall constitute a material breach of this Contract upon which County may terminate or suspend this Contract.

8.38.4 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of County conduct an audit of Contractor regarding the Work performed under this Contract, and if such audit finds that County's dollar liability for any such Work is less than payments made by County to Contractor, then the difference shall be either: a) repaid by Contractor to County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to Contractor from County, whether under this Contract or otherwise. If such audit finds that County's dollar liability for such Work is more than the payments made by County to Contractor, then the difference shall be paid to Contractor by County by cash payment, provided that in no event shall County's maximum obligation for this Contract exceed the funds appropriated by County for the purpose of this Contract.

8.38.5 **Monitoring Reviews**

8.38.5.1 Contractor shall provide the Services herein under the general supervision of County's Department Head and his/her authorized administrators who are designated in Paragraph 6.0 (Administration of Contract-County). County shall supervise, monitor and specify the kind, quality, appropriateness, timeliness and amount of the Services to be provided by Contractor as well as the criteria for determining the persons to be served (Clients). Contractor shall extend to County and to representatives authorized by County (including, but not limited to, State and Federal representatives) the right to observe, review and monitor Contractor's facilities, programs, records, procedures, performance, activities, or documents, which are used under this Contract. Contractor shall provide County (or other designated authorities) the right to conduct such reviews at any time during County's hours of operation. County (or other designated authorities) shall not unreasonably interfere with Contractor's performance. The requirements of this Paragraph 8.38 shall also apply to subcontractors providing Services on behalf of Contractor.

8.38.5.2 County will monitor Contractor's

Services provided under this Contract on a regular basis and County may conduct unannounced site visits to ensure Contract compliance. County will summarize the results of the monitoring efforts in written reports, which shall be supported with documented evidence of follow-up actions taken to correct areas of non-compliance. Monitoring activities may include, but are not limited to interviewing Contractor employees and Clients; entering any premises or any site in which any of the Services or activities funded are being conducted or in which any records of Contractor are kept; etc. All information will be maintained in a confidential manner in accordance with any and all Federal, State and local laws.

- 8.38.5.3 Contractor shall be responsible for monitoring the activities of its subcontractor(s) providing Services. Contractor shall conduct on-site fiscal and program monitoring reviews which shall be documented and maintained on file according to the record retention requirements provided in this Paragraph 8.38. Contractor shall ensure that subcontractor(s) adheres to all requirements for correcting areas of non-compliance, and implements the corrective action plan which has been approved by Contractor.

8.38.6 Independent Audit Requirements

- 8.38.6.1 OMB Circular A-133 requires that organizations receiving Federal awards, including pass-through awards, have annual audits, which shall be performed by an independent auditor. Contractor shall adhere to the requirements contained in OMB Circular A-133 as well as the following:

- 8.38.6.1.1 Contractor shall obtain a Single Audit Report (or Program Audit Report, as appropriate) for each Fiscal Year.
- 8.38.6.1.2 Contractor shall forward its Single Audit Report to County's Compliance Manager at the end of each Fiscal Year.
- 8.38.6.1.3 The Single Audit Report shall include, but is not limited to: copies of audited financial statement(s), Schedule of Expenditures of Federal Awards, copies of auditor's concerns and informal findings, contained in the Summary of Accounting Internal Control Systems, copies of the Auditor's Report on Compliance and if prepared, copies of the Auditor's Management Letter within thirty (30) days of issuance of the documents.

8.39 RECYCLED BOND PAPER

- 8.39.1 Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at Los Angeles County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

8.40 SUBCONTRACTING

- 8.40.1 The requirements of this Contract may not be subcontracted by Contractor **without the advance written approval of County**. Any attempt by Contractor to subcontract without the prior consent of County shall be deemed a material breach of this Contract.
- 8.40.2 If Contractor desires to subcontract, Contractor shall provide the following information promptly at County's request:
- 8.40.2.1 A description of the Work to be performed by the subcontractor;
 - 8.40.2.2 A draft copy of the proposed subcontract; and
 - 8.40.2.3 Other pertinent information and/or certifications requested by County.
- 8.40.3 Contractor shall indemnify and hold County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees.
- 8.40.4 Contractor shall remain fully responsible for all performances required of it under this Contract, including those that Contractor has determined to subcontract, notwithstanding County's approval of Contractor's proposed subcontract.
- 8.40.5 County's consent to subcontract shall not waive County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing Services under this Contract. Contractor is responsible to notify its subcontractors of this County right.
- 8.40.6 County's Contract Manager is authorized to act for and on behalf of County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by County, Contractor shall forward a copy of the fully executed subcontract to County's Contract Manager within five (5) days of the approval.
- 8.40.7 Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through Services performed hereunder, notwithstanding County's consent to subcontract.
- 8.40.8 Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance

required by County from each approved subcontractor. Contractor shall ensure delivery of all such documents to: County of Los Angeles, Community and Senior Services, Contracts Management Division, Attention: County's Contract Manager, 3175 West Sixth Street, Los Angeles, CA 90020, before any subcontractor employee may perform any Work hereunder.

8.41 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

- 8.41.1 Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 8.14 (Contractor's Warranty of Adherence to County's Child Support Compliance Program), shall constitute default under this Contract. Without limiting the rights and remedies available to County under any other provision of this Contract, failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Contract pursuant to Paragraph 8.43 (Termination for Default) and pursue debarment of Contractor, pursuant to Los Angeles County Code Chapter 2.202.

8.42 TERMINATION FOR CONVENIENCE

- 8.42.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by County, in its sole discretion, to be in its best interest. Termination of Work hereunder shall be effected by notice of termination to Contractor specifying the extent to which performance of Work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than thirty (30) calendar days after the notice is sent.
- 8.42.2 After receipt of a notice of termination and except as otherwise directed by County, Contractor shall:
- 8.42.2.1 Stop Work under this Contract on the date and to the extent specified in such notice, and
- 8.42.2.2 Complete performance of such part of the Work as shall not have been terminated by such notice.
- 8.42.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of Contractor under this Contract shall be maintained by Contractor in accordance with Paragraph 8.38 (Record Retention and Inspection/Audit Settlement).

8.43 TERMINATION FOR DEFAULT

- 8.43.1 County may, by written notice to Contractor, terminate the whole or any part of this Contract, if, in the judgment of County:
- 8.43.1.1 Contractor has materially breached this Contract; or

- 8.43.1.2 Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, Service, or other work required either under this Contract; or
- 8.43.1.3 Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as County may authorize in writing) after receipt of written notice from County specifying such failure.
- 8.43.2 In the event that County terminates this Contract in whole or in part as provided in Sub-paragraph 8.43.1, County may procure, upon such terms and in such manner as County may deem appropriate, goods and Services similar to those so terminated. Contractor shall be liable to County for any and all excess costs incurred by County, as determined by County, for such similar goods and Services. Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this Paragraph 8.43.
- 8.43.3 Except with respect to defaults of any subcontractor, Contractor shall not be liable for any such excess costs of the type identified in Sub-paragraph 8.43.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of Contractor. Such causes may include, but are not limited to: acts of nature or of the public enemy, acts of County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both Contractor and subcontractor, and without the fault or negligence of either of them, Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or Services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this Paragraph 8.43, the term "subcontractor(s)" means subcontractor(s) at any tier.
- 8.43.4 If, after County has given notice of termination under the provisions of this Paragraph 8.43, it is determined by County that Contractor was not in default under the provisions of Paragraph 8.43, or that the default was excusable under the provisions of Sub-paragraph 8.43.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 8.42 (Termination for Convenience).
- 8.43.5 The rights and remedies of County provided in this Paragraph 8.43, shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 TERMINATION FOR IMPROPER CONSIDERATION

- 8.44.1 County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to Contractor's performance pursuant to this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.
- 8.44.2 Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.
- 8.44.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.45 TERMINATION FOR INSOLVENCY

- 8.45.1 County may terminate this Contract forthwith in the event of the occurrence of any of the following:
- 8.45.1.1 Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
 - 8.45.1.2 The filing of a voluntary or involuntary petition regarding Contractor under the Federal Bankruptcy Code;
 - 8.45.1.3 The appointment of a Receiver or Trustee for Contractor; or
 - 8.45.1.4 The execution by Contractor of a general assignment for the benefit of creditors.
- 8.45.2 The rights and remedies of County provided in this Paragraph 8.45, shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.46 TERMINATION FOR NON - ADHERENCE OF COUNTY LOBBYIST ORDINANCE

- 8.46.1 Contractor, and each County Lobbyist or County Lobbying firm as defined in Los Angeles County Code Section 2.160.010 retained by Contractor, shall fully comply with the County's

Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County Lobbyist or County Lobbying firm retained by Contractor to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which County may in its sole discretion, immediately terminate or suspend this Contract.

8.47 TERMINATION FOR NON - APPROPRIATION OF FUNDS

8.47.1 Notwithstanding any other provision of this Contract, County shall not be obligated for Contractor's performance hereunder or by any provision of this Contract during any of County's future Fiscal Years unless and until the County's Board of Supervisors appropriates funds for this Contract in County's Budget for each such future Fiscal Year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last Fiscal Year for which funds were appropriated. County shall notify Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.48 VALIDITY

8.48.1 If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.49 WAIVER

8.49.1 No waiver by County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Paragraph 8.49, shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.50 WARRANTY AGAINST CONTINGENT FEES

8.50.1 Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

8.50.2 For breach of this warranty, County shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

**8.51 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED
PROPERTY TAX REDUCTION PROGRAM**

8.51.1 Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers. Unless Contractor qualifies for an

exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206. Prior to the commencement of the Contract, Contractor shall complete Exhibit Q (Certification of Compliance with County's Defaulted Property Tax Reduction Program) and submit it to County's Contract Manager in the time and manner as designated by County.

8.52 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- 8.52.1 Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 8.51 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program), shall constitute default under this Contract. Without limiting the rights and remedies available to County under any other provision of this Contract, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this Contract and/or pursue debarment of Contractor, pursuant to Los Angeles County Code Chapter 2.206.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 ALLEGATIONS OF FRAUD AND/OR ABUSE

9.1.1 Fraud Prevention Reporting

- 9.1.1.1 Contractor's staff working on this Contract shall immediately report all suspected or actual instances of fraud as designated in Exhibit K (Contract Accounting, Administration and Reporting Requirements).

9.1.2 Child Abuse Reporting

- 9.1.2.1 Contractor's staff working on this Contract shall comply with California Penal Code (PC) Section 11164 *et seq.*, and shall report all known and suspected instances of child abuse to an appropriate child protective agency, as mandated by the referenced Penal Code. Additionally, Contractor's staff working on this Contract shall also report such abuse to the Los Angeles County Department of Children and Family Services by calling the hotline at (800) 540-4000 within twenty-four (24) hours of discovering or suspecting the abuse. Contractor's staff shall submit all required information to the appropriate authorities in accordance with PC Sections 11166 and 11167.

9.1.3 Elder and Dependent Adult Abuse Reporting

- 9.1.3.1 Contractor's staff working on this Contract shall comply with California Welfare and Institutions Code (WIC) Section 15600 *et seq.*, and shall report all known or suspected instances of physical abuse of elders and dependent adults either to an appropriate County adult protective services agency

or to a local law enforcement agency, as mandated by the referenced Welfare and Institutions Code. Contractor's staff working on this Contract shall report the abuse and shall submit all required information in accordance with WIC Sections 15630, 15633 and 15633.5.

9.2 AMERICANS WITH DISABILITIES ACT (ADA)

- 9.2.1 Contractor agrees to abide by all applicable Federal, State and local laws including the Americans with Disabilities Act (ADA) and its requirement to provide reasonable accommodations and auxiliary aids or services, unless compliance with the ADA would place an undue financial burden on, or would fundamentally alter the nature of, Contractor's operations. Contractor shall submit demonstrable evidence of such undue financial burden to County in such circumstances.

9.3 CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE

- 9.3.1 The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (Senate Bill 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractor to complete Exhibit O (Charitable Contributions Certification), County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect Los Angeles County and its taxpayers. Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either Contract termination or debarment proceedings or both (Los Angeles County Code Chapter 2.202). Prior to the commencement of the Contract, Contractor shall submit the completed Exhibit O (Charitable Contributions Certification) to County's Contract Manager in the time and manner as designated by County.

9.4 CONTRACTOR'S OBLIGATIONS AS A "BUSINESS ASSOCIATE" UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA) AND THE HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND CLINICAL HEALTH ACT (HITECH)

- 9.4.1 County is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Under this Contract, Contractor provides Services to County and Contractor receives, has access to, and/or creates Protected Health Information as defined in Exhibit P (Contractor's Obligations as a "Business Associate" Under the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act (Business Associate Agreement)), in order to provide those Services. County and Contractor therefore agree to the terms of Exhibit P (Contractor's Obligations as a "Business Associate" Under the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act (Business Associate Agreement)).

9.5 FIXED AND NON-FIXED ASSETS AND SUPPLIES

- 9.5.1 Contractor may use Contract Funds to purchase Fixed Assets, Non-Fixed Assets and Supplies, which are defined in Exhibit M (Fixed and Non-Fixed Assets and Supplies Purchase, Inventory and Disposal Requirements). Prior to the commencement of the Contract (and annually thereafter), Contractor shall complete Exhibit N (Inventory Control Form) and submit it to County's Contract Manager in the time and manner as designated by County. Contractor shall adhere to the purchase, inventory and disposal requirements for all Fixed Assets, Non-Fixed Assets and Supplies purchased with Contract Funds, as provided by Federal and State regulations as well as the requirements outlined in Exhibit M (Fixed and Non-Fixed Assets and Supplies Purchase, Inventory and Disposal Requirements).

9.6 LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM

- 9.6.1 This Contract is subject to the provisions of County's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Los Angeles County Code Chapter 2.204.
- 9.6.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.
- 9.6.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.
- 9.6.4 If Contractor has obtained certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and Contractor knew, or should have known, that the information furnished was incorrect or that the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Contract to which it would not otherwise have been entitled, Contractor shall:
- 9.6.4.1 Pay to County any difference between the Contract amount and what County's costs would have been if the Contract had been properly awarded;
 - 9.6.4.2 In addition to the amount described in Sub-paragraph 9.6.4.1, be assessed a penalty in an amount of not more than 10% of the amount of the Contract; and
 - 9.6.4.3 Be subject to the provisions of Los Angeles County Code Chapter 2.202 (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the State and Los Angeles County's Internal

Services Department of this information prior to responding to a solicitation or accepting a contract award.

9.7 MANDATORY REQUIREMENT TO REGISTER ON COUNTY'S WEBVEN

- 9.7.1 As a pre-condition to the award of this Contract, Contractor represents and warrants that it has registered in the Los Angeles County's vendor registration system (hereafter "WebVen"). The WebVen contains Contractor's business profile and identifies the goods/services being provided by Contractor. Contractor shall ensure that it updates its vendor profile whenever changes occur to Contractor's operations by accessing the WebVen site located on-line at: <http://lacounty.info/doingbusiness/maindb.htm> (there are underscores in the address between the words 'doing business' and 'main db'). County shall use the data obtained from Contractor's WebVen profile to ensure that Contractor's information is consistent with Contract records (e.g., Contractor shall use its legal name in both the Contract documents and in its WebVen profile).

9.8 MODIFICATIONS

9.8.1 Modifications to the Contract

- 9.8.1.1 This Contract fully expresses the agreement of the parties. Any modification to this Contract must be by means of a separate written document approved by County. No oral conversation between any officer, employee or agent of the parties shall modify or otherwise amend this Contract in any way. For purposes of this Paragraph 9.8, a modification:
- 9.8.1.1.1 Is a mechanism that allows Contractor to revise its Budget or Services during the Fiscal Year without adversely affecting Contractor's ability to fulfill its obligations under this Contract (i.e., such modification shall not materially change Contractor's obligation to provide the Services outlined in Exhibit A (Statement of Work)).
 - 9.8.1.1.2 Allows Contractor to fully utilize Contract Funds to fulfill the requirements of this Contract and adequately cover the provision of Services.
 - 9.8.1.1.3 Is approved by County in writing, must be in the best interests of County and Contractor shall adhere to it in its entirety.
- 9.8.1.2 For any change which does not affect the scope of Work, Contract term, Contract Sum or any other term or condition under this Contract, County reserves the right to initiate a change notice which shall be prepared and signed by County's Contract Manager.

- 9.8.1.3 The modification does not change the terms, goals or requirements of the Contract but rather it allows Contractor some flexibility within the terms to fully utilize Contract Funds and to achieve its performance goals. Contractor requests for modifications, either budgetary or programmatic, must be submitted in writing to County's Contract Manager. Contractor shall not request a modification during the first quarter and during the last two (2) months of the current Fiscal Year (except where a written waiver is requested by Contractor and granted by County).

9.8.2 **Budget Modifications**

- 9.8.2.1 The movement of funds within an approved Budget from one line item to another line item is classified as a Budget modification. For the entirety of any Fiscal Year, such modification or movement shall not exceed 20% of the baseline amount allocated to the line items being modified (i.e., Contractor's movement of funds among line items shall not cause one line item to be reduced or increased by more than 20% of its baseline amount). For purposes of this Paragraph 9.8, baseline is defined as the amount allocated at the beginning of a Fiscal Year; for Fiscal Years following the first Fiscal Year, such amount may differ from what is reflected in the original Contract. The modification shall not change the Contract Sum. Contractor shall notify County's Contract Manager in writing to request authorization prior to submitting a Budget modification. On the date County approves the modification, such modification shall replace any prior modification(s) approved by County within the same Fiscal Year (i.e., when Contractor's modification number 2 is approved by County, it becomes effective upon the approval date and Contractor's modification number 1 is no longer effective as of that same date).

9.8.3 **Program Modifications**

- 9.8.3.1 The movement of Services from one Service category (as defined in Exhibit A (Statement of Work)) to another is classified as a Program modification. Contractor shall notify County's Contract Manager in writing to request authorization prior to submitting a Program modification. On the date County approves the modification, such modification shall replace any prior modification(s) approved by County within the same Fiscal Year (i.e., when Contractor's modification number 2 is approved by County, it becomes effective upon the approval date and Contractor's modification number 1 is no longer effective as of that same date).

9.8.4 **Limitation on Corporate Acts**

- 9.8.4.1 Contractor shall not amend its Articles of Incorporation or By-laws, move to dissolve or

transfer any assets obtained using Contract Funds, or take any other steps which may materially affect the performance of this Contract without first notifying County in writing no less than thirty (30) days prior to said action. Contractor shall notify County's Contract Manager immediately in writing of any change in Contractor's corporate name.

9.8.4.2 If, in County's sole discretion, the steps taken by Contractor are determined to materially affect Contractor's performance of this Contract, County may, at its sole discretion, take any (or all) of the following actions:

9.8.4.2.1 Require Contractor to remedy the areas that affect Contractor's ability to perform its contractual obligations.

9.8.4.2.2 Suspend Contractor from performing (and receiving payment for) Contract tasks until a remedy has been reached.

9.8.4.2.3 Terminate this Contract pursuant to Paragraph 8.43 (Termination for Default).

9.9 NEPOTISM

9.9.1 Contractor certifies that it shall not hire nor permit the hiring of any person in a position funded under this Contract if a member of the person's immediate family is employed in an administrative capacity by Contractor. For purposes of this Paragraph 9.9, the term "immediate family" means spouse (common law or otherwise, and including domestic partner), child, mother, father, brother, sister, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, step-parent, step-child, or such other relationship which would give rise to a substantial appearance of impropriety if the person were to be hired by Contractor. The term "administrative capacity" means a position that has overall administrative responsibility for the Program, including but not limited to selection, hiring, or supervisory responsibilities.

9.10 OWNERSHIP OF MATERIALS, SOFTWARE AND COPYRIGHT

9.10.1 County shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities, and tools (hereafter "materials") which are originated or created through Contractor's Work pursuant to this Contract. Contractor, for valuable consideration herein provided, shall execute all documents necessary to assign and transfer to, and vest in County all of Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to Contractor's Work under this Contract.

9.10.2 During the term of this Contract and for five (5) years thereafter, Contractor shall maintain and provide security for all of Contractor's working papers prepared under this Contract.

County shall have the right to inspect, copy and use at any time during and subsequent to the term of this Contract, any and all such working papers and all information contained therein.

- 9.10.3 Any and all materials, software and tools which are developed or were originally acquired by Contractor outside the scope of this Contract, which Contractor desires to use hereunder, and which Contractor considers to be proprietary or confidential, must be specifically identified by Contractor to County's Contract Manager as proprietary or confidential, and shall be plainly and prominently marked by Contractor as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.
- 9.10.4 County will use reasonable means to ensure that Contractor's proprietary and/or confidential items are safeguarded and held in confidence. County agrees not to reproduce, distribute or disclose to non-County entities any such proprietary and/or confidential items without the prior written consent of Contractor.
- 9.10.5 Notwithstanding any other provision of this Contract, County will not be obligated to Contractor in any way under Sub-paragraph 9.10.4 for any of Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by Sub-paragraph 9.10.3 or for any disclosure which County is required to make under any Federal or State law or order of court.
- 9.10.6 Notwithstanding any other provision of this Contract, County and Contractor agree that County shall have all ownership rights of software or modification thereof and associated documentation designed, developed or installed using Federal financial participation. The Federal government shall have a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal government purposes, such software, modifications and documentation. Notwithstanding any other provision of this Contract, proprietary operating/vendor software packages, which are provided at established catalog or market prices and sold or leased to the general public, shall not be subject to the ownership provisions of this Paragraph 9.10.
- 9.10.7 All the rights and obligations of this Paragraph 9.10, shall survive the expiration or termination of this Contract.

9.11 PATENT, COPYRIGHT & TRADE SECRET INDEMNIFICATION

- 9.11.1 Contractor shall indemnify, hold harmless and defend County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third-party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of Contractor's Work under this Contract. County shall inform Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support Contractor's defense and settlement thereof.

- 9.11.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, Contractor, at its sole expense, and providing that County's continued use of the system is not materially impeded, shall either:
- 9.11.2.1 Procure for County all rights to continued use of the questioned equipment, part, or software product; or
 - 9.11.2.2 Replace the questioned equipment, part, or software product with a non-questioned item; or
 - 9.11.2.3 Modify the questioned equipment, part, or software so that it is free of claims.
- 9.11.3 Contractor shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by Contractor, in a manner for which the questioned product was not designed nor intended.

9.12 PROBATION AND SUSPENSION

- 9.12.1 Contractor may be placed on probation or suspension for any Service (or task) herein, when County determines that Contractor has demonstrated a consistent and significant lack of achievement of the Contract goals (including, but not limited to, meeting the requirements for Program performance, the Budget, expenditures, staffing, administration, etc.) and/or that Contractor is out of compliance with any part of this Contract. County shall notify Contractor in writing in the event that Contractor is placed on either probationary or suspension status. Probation as used herein shall mean County's monitoring of Contractor's non-compliance with this Contract; Contractor's continued non-compliance may impact its ability to obtain future funding. Suspension as used herein shall mean County's withholding of payment to Contractor and/or a temporary curtailment of Services provided under this Contract by Contractor and subcontractor(s), if any.
- 9.12.2 County's written notice of probation or suspension shall set forth the conditions of Contractor's non-compliance as well as the period in which Contractor must correct noted deficiencies. In response to this notice, Contractor shall submit a written Corrective Action Plan to County's Compliance Manager within ten (10) days of the postmark date indicated on the notice from County. Contractor's corrective action plan shall address all of the deficiencies noted by County.
- 9.12.3 County shall review Contractor's Corrective Action Plan, and will determine whether it meets the requirements for County's approval. County reserves the right to suspend/deduct payments for or to terminate all or any part of this Contract (and/or any of Contractor's other contracts with County) when Contractor submits a Corrective Action Plan that is not acceptable to County.

- 9.12.4 Contractor shall implement the corrective action plan upon receiving County's final written approval of the plan. Contractor's failure to comply with County's approved plan will be cause for material breach of Contract upon which County may pursue the remedies for default of Contract.

9.13 TRANSITION OF CONTRACT SERVICES

9.13.1 Completion of Contract

- 9.13.1.1 Within sixty (60) calendar days prior to the expiration of this Contract (or shorter time period if notified in writing by County), Contractor shall allow County or a newly selected contractor a transition period for orientation purposes and the orderly transition of Contractor's current Services without additional costs to County. Contractor shall continue to provide Services timely and accurately so that the Services are current at the expiration of this Contract.

9.13.2 Transition Plan

- 9.13.2.1 If this Contract (or any part thereof) is terminated pursuant to Paragraph 8.42 (Termination for Convenience) or expires pursuant to Paragraph 4.0 (Term of Contract), Contractor shall provide to County a transition plan, within the timeframe designated by County in the notice of termination. Contractor shall adhere to said transition plan. At a minimum, the transition plan shall include the following:

9.13.2.1.1 Description of how Clients will be notified about the change in their Service provider;

9.13.2.1.2 A plan to communicate with other organizations that can assist in locating alternative Services;

9.13.2.1.3 A plan to inform community referral sources of the pending termination of Services and what alternatives, if any, exist for future referrals;

9.13.2.1.4 A plan to evaluate Clients in order to assure appropriate placement that will allow Clients to receive Services;

9.13.2.1.5 A plan to transfer any confidential medical and Client records to the new contractor in accordance with applicable provisions of the Health Insurance Portability and Accountability Act of 1996 or other Federal, State or local laws and regulations;

9.13.2.1.6 A plan to dispose of confidential records in accordance with applicable laws and regulations, and the terms of this Contract;

9.13.2.1.7 A plan for adequate staff to provide continued care through the term of this Contract; and

9.13.2.1.8 A full inventory and plan to dispose, transfer, or return to County all equipment purchased with Contract Funds during the entire term of this Contract.

9.14 TRANSITIONAL JOB OPPORTUNITIES PREFERENCE PROGRAM

9.14.1 This Contract is subject to the provisions of Los Angeles County's ordinance entitled Transitional Job Opportunities Preference Program, as codified in Los Angeles County Code Chapter 2.205.

9.14.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Transitional Job Opportunity vendor.

9.14.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunity vendor.

9.14.4 If Contractor has obtained County certification as a Transitional Job Opportunity vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Contract to which it would not otherwise have been entitled, shall:

9.14.4.1 Pay to County any difference between the Contract amount and what County's costs would have been if the Contract had been properly awarded;

9.14.4.2 In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10% of the amount of the Contract; and

9.14.4.3 Be subject to the provisions of Los Angeles County Code Chapter 2.202 (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any entity that has previously obtained proper certification, however, as a result of a

change in their status would no longer be eligible for certification, and fails to notify the certifying department of this information prior to responding to a solicitation or accepting the Contract award.

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IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Director of Community and Senior Services, the day and year first above written. The persons signing on behalf of Contractor warrant under penalty of perjury that he or she is authorized to bind Contractor.

COUNTY OF LOS ANGELES

By  6/13/12
 Cynthia D. Banks, Director
 Community and Senior Services
 County of Los Angeles
 Date

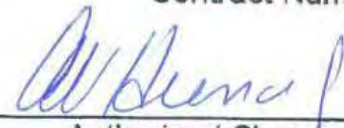
CONTRACTOR

City of San Fernando

Contractor's Legal Name (Print)

ENP-1216-013

Contract Number

By  6-18-12
 Authorized Signature
 Al Hernandez
 Date

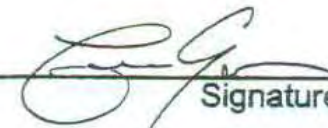
Name (Print or Type)

City Administrator

Title (Print or Type)

APPROVED AS TO FORM:

OFFICE OF COUNTY COUNSEL
 John F. Krattli, County Counsel

By 
 Signature
 Lawrence M. Green
 Name
 Deputy County Counsel
 Title

By _____
 Authorized Signature
 Date
 Name (Print or Type)
 Title (Print or Type)



EXHIBIT A STATEMENT OF WORK

**EXHIBIT A
STATEMENT OF WORK**

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EXHIBIT A STATEMENT OF WORK (SOW)

1.0 SCOPE OF WORK

- 1.1 The Scope of Work outlines the services required to operate the Elderly Nutrition Program (ENP) which includes Congregate Meal (Title C-1) and Home-Delivered Meal (Title C-2)/Telephone Reassurance (Title III-B) Services to eligible Clients as mandated by the Older Americans Act (OAA)(42 USC Sections 3001-3058); Code of Federal Regulations (45 CFR 1321.1 – 1321.83); California Code of Regulations, Title 22, Section 7000 et seq.; Older Californians Act (OCA); California Department of Aging (CDA) Program Memoranda; Department of Community and Senior Services (CSS) Program Memoranda/Directives and Standard Services as budgeted in Exhibit C (Mandated Program Services) and/or approved by the Los Angeles County Area Agency on Aging (AAA). The County has established a fixed rate for each Unit of Service (defined in Paragraph 4.0 - Additional Requirements) provided by the Contractor.
- 1.2 Congregate Meal Services provides ENP Services that are intended to maintain or improve the physical and social well-being of mobile older adults in a group setting at strategically located sites to persons sixty (60) years of age or older. These services include: procurement, preparation, transportation and the serving of meals.
- 1.3 Home-Delivered Meal/Telephone Reassurance Services provides ENP Services that are intended to maintain and/or improve the physical and social well-being of homebound older adults. The ENP Service ensures that nutritious meals are delivered/provided in home environments/settings to persons sixty (60) years of age or older who are homebound by reason of illness, disability or who are otherwise isolated. These services include: procurement, preparation, service and delivery of meals.

2.0 ELIGIBILITY CRITERIA

- 2.1 The U.S. Department of Health and Human Services, Administration on Aging (AoA) determines the criteria for the ENP eligibility. The criteria are based on the current guidelines of the Older Americans Act of 1965, as reauthorized in October 2006. The guidelines may be enhanced based on Federal, California State regulations and Los Angeles County policies. Unless otherwise expressly indicated in this Contract or by Federal, State, or local law, Contractor shall only provide ENP Services to eligible individuals.
- 2.2 CONGREGATE MEAL SERVICES: Individuals are eligible to become Clients and receive Congregate Meal Services at a congregate meal site, a location

where meals are served when they meet at least one (1) of the following criteria:

2.2.1 An Older Individual (an individual who is age sixty (60) or older);

2.2.2 The spouse of any Older Individual who accompanies the Older Individual who participates in the Program to the congregate meal site;

2.2.3 A person with a disability, under age sixty (60) who resides in a housing facility occupied primarily by Older Individuals at which Congregate Meal Services are provided; or

2.2.4 A disabled individual who resides at home with and accompanies an Older Individual who participates in the Program to the congregate meal site.

2.2.4.1 Disability: means a condition attributable to mental or physical impairments that result in substantial functional limitations in one (1) or more of the following areas of major life activity:

2.2.4.1.1 Self-care

2.2.4.1.2 Receptive and expressive language

2.2.4.1.3 Learning

2.2.4.1.4 Mobility

2.2.4.1.5 Self-direction

2.2.4.1.6 Capacity for independent living

2.2.4.1.7 Economic self-sufficiency

2.2.4.1.8 Cognitive functioning

2.2.4.1.9 Emotional adjustment

2.2.5 Volunteers at Congregate Meal Sites:

2.2.5.1 A volunteer is a person who participates in providing Congregate Meal Services without pay.

2.2.5.2 A volunteer may be offered a meal if doing so will not deprive an Older Individual of a meal.

2.2.5.3 Contractor will develop a written policy for providing and accounting for volunteer meals served.

2.3 HOME-DELIVERED MEAL SERVICES: Older Individuals who are eligible to become Clients and receive Home-Delivered Meal Services when they meet at least one (1) of the following criteria:

2.3.1 An Older Individual (age 60 or older) who is frail and homebound by

reason of illness, disability, or is otherwise isolated.

2.3.1.1 "Frail" as defined in Section 7119 of Title 22 California Code of Regulations (22 CCR 7119), applies to an Older Individual who is determined to be functionally impaired because the individual either:

2.3.1.1.1 Is unable to perform at least two (2) Activities of Daily Living (ADL), including: bathing, toileting, dressing, feeding, breathing, transferring and mobility and associated tasks, without substantial human assistance, including verbal reminding, physical cueing or supervision; or

2.3.1.1.2 Due to a cognitive or other mental impairment, requires substantial supervision because the Older Individual behaves in a manner that poses a serious health or safety hazard to the individual or to others.

2.3.2 The spouse of any Older Individual described in Sub-paragraph 2.3.1, regardless of the spouse's age or condition, if an assessment by Contractor concludes that it is in the best interest of the frail/homebound Older Individual;

2.3.3 An individual with a disability who resides in the home of any Older Individual as described in Sub-paragraph 2.3.1, if an Initial Assessment (defined in Sub-paragraph 3.6.1.1, below) by Contractor concludes that it is in the best interest of the homebound Older Individual;

2.3.4 Priority shall be given to Older Individuals described in Sub-paragraph 2.3.1.

2.4 TELEPHONE REASSURANCE SERVICES: Older Individuals who are eligible to become Clients and receive Telephone Reassurance Services when they meet the following criteria:

2.4.1 An Older Individual (an individual who is age sixty (60) or older); and

2.4.2 Must be either a Home-Delivered Meal recipient or on a waiting list for a Home-Delivered Meal.

3.0 SPECIFIC TASKS

3.1 General Requirements: The following guidelines establish the definitions and standards for the provision of services that are required by the ENP. The Unit of Service is defined as a measure of output (benefit/service) expressed as a meal served and/or telephone reassurance call(s) to the Older Individual. The Unit of Measurement is the quantitative representation of the output (benefit/service) provided to the Older Individual; this measurement forms the basis upon which reimbursement is made to the Contractor. The Unit Rate is the amount that is reimbursable by the Program for each Unit of Measurement provided by the Contractor. Contractor is only obligated to provide Services as budgeted in Exhibit C (Mandated Program Services) and as approved by the AAA.

3.2 General ENP Meal Requirements:

- 3.2.1 Each meal provided by Contractor shall provide a minimum of 33^{1/3}% of the current Dietary Reference Intake (DRI) established by the Food and Nutrition Board of the Institute of Medicine of the National Academy of Science, and follow the most recent Dietary Guidelines for Americans published by the U.S. Department of Health and Human Services.
- 3.2.2 Contractor must serve a minimum of one (1) meal per day, five (5) or more days per week. Meals must be provided a minimum of two hundred and forty nine (249) days per year. Contractor may request a waiver from the AAA Nutritionist, the Registered Dietician (RD) who supervises the ENP, to operate on a reduced frequency.
- 3.2.3 Contractor shall input a record of all Services delivered including the actual number of meals served per Client per day, Telephone Reassurance contacts, Initial Assessments, Reassessments and all other Client contacts in the Social Assistance Management System (SAMS).
- 3.2.4 Contractor shall also in a timely manner enter into SAMS all information which the AAA requires (e.g. Nutrition Risk Score, Activities of Daily Living, Instrumental Activities of Daily Living, and demographic information) in order to meet its planning, coordination, evaluation and reporting requirements. This includes requests to complete missing mandatory fields in SAMS.

3.2.5 Menus shall:

- 3.2.5.1 Conform to the menu planning and nutrition standards of the AAA and the CDA. Contractor shall review Menu Writing Specifications and Requirements as revised annually by the AAA and/or the CDA.
 - 3.2.5.2 Be approved by the Dietary Administrative Support Services Program (DASS) Registered Dietitian and Certified by the AAA Nutritionist.
 - 3.2.5.3 Be planned for a minimum of five (5) weeks.
 - 3.2.5.4 Reflect cultural and ethnic dietary needs of Clients, when feasible and appropriate.
 - 3.2.5.5 To the maximum extent practicable, each meal may be adjusted to meet any special dietary needs of Clients. Special dietary menu variations must be approved by the AAA Nutritionist.
- 3.2.6 Each meal provided by Contractor shall comply with applicable provisions of State and/or local laws regarding the safe and sanitary handling of food, equipment, and supplies used in the storage, preparation, service, and delivery of meals to an Older Individual as well as satisfy all the requirements of 22 CCR Section 7638.5 and safety standards as written in the current California Retail Food Code (Cal Health & Safety Code § 113700, et seq.).
- 3.2.7 Where feasible and appropriate, Contractor shall make arrangements for the availability of meals to eligible Clients during a major disaster, as defined in 42 USC 5122(2).
- 3.2.8 Contractor will conduct an annual Client Satisfaction Survey to obtain the views of Clients about services rendered.

3.3 Congregate Meal Service Requirements:

3.3.1 Meal Delivery requires that Contractor:

- 3.3.1.1 Must ship hot food to congregate meal sites in insulated containers, heated containers, or heated trucks to maintain temperature of one hundred and forty degrees Fahrenheit (140°F) or above.

3.3.1.2 Must ship cold food in ice chests, insulated containers, or refrigerated trucks to maintain temperatures of forty degrees Fahrenheit (40°F) or below.

3.3.1.3 May ship bread, whole fruits, cookies, cake, and other non-potentially hazardous foods at room temperature.

3.3.2 Meal Service requires that Contractor shall:

3.3.2.1 Maintain hot food hot for a maximum of three (3) hours from the completion of cooking at the central kitchen to the completion of service at the congregate meal site.

3.3.2.2 Maintain hot food hot, as described in Paragraph 3.3.1.1 above, for a maximum of two (2) hours at the congregate meal site.

3.3.2.3 Serve meals at a regularly scheduled time at each congregate meal site.

3.3.2.4 Follow the provisions of "Offer Versus Serve" as found in 7 CFR 226.20(q).

3.3.2.5 Ensure each congregate meal site maintains a minimum participation of at least eighteen (18) eligible Clients per day. Contractor may request a waiver of this requirement from the AAA Nutritionist.

3.3.3 Menus shall:

3.3.3.1 Be posted in a location easily seen by Clients at each congregate meal site.

3.3.3.2 Be legible and easy to read in the language of the majority of the Clients.

3.3.4 Each meal shall be served in a facility that complies with the Americans with Disabilities Act of 1990, as amended, 42 USC Section 12101 et seq.; has restrooms, lighting, and ventilation, which meet the requirements of California Health & Safety Code Section 113700, et seq. Equipment, including sturdy tables and chairs, shall be appropriate for Older Individuals. Tables should be arranged to assure ease of access and encourage socialization.

3.3.5 Contractor shall ensure that congregate meal sites operating in Adult Day Programs and Elderly Housing Facilities meet the Eligibility

Criteria specified above in Paragraph 2.2 for Congregate Meal Services, and the following criteria listed below:

- 3.3.5.1 Be open to the general public.
 - 3.3.5.2 Not receive funds from another source (i.e. Medi-Cal or private payment fees in the form of a flat/bundled rate) for the cost of the same meal, equipment or services.
- 3.4 Home-Delivered Meal Service Requirements (for all Home-Delivered Meal Service Contractors):
- 3.4.1 Each Home-Delivered meal may consist of hot, cold, and/or frozen food.
 - 3.4.2 Contractor shall set regular delivery schedules so meals will be delivered at a consistent time each day of delivery.
 - 3.4.3 Contractor must provide written instructions, in the language of the majority of participating Older Individuals, for handling and re-heating Home-Delivered meals.
 - 3.4.4 General Meal-Shipping Requirements:
 - 3.4.4.1 Hot meals must be shipped in insulated containers, heated containers, or heated truck to maintain a temperature of one hundred and forty degrees Fahrenheit (140°F) or above.
 - 3.4.4.2 Cold food must be shipped in ice chests, insulated containers or refrigerated trucks to maintain a temperature of forty degrees Fahrenheit (40°F) or below.
 - 3.4.4.3 Bread, whole fruits, cookies, cake, and non-potentially hazardous foods may be shipped at room temperature.
 - 3.4.5 Hot Meals:
 - 3.4.5.1 The Home-Delivered hot meal shall be delivered to Clients in a sanitary manner and within a period of time to maintain quality and to assure absence of contamination as detailed in Paragraph 3.4.4.1 above.
 - 3.4.5.2 Maximum length of a Home-Delivered hot meal delivery route is two (2) hours from the central kitchen, and may only be longer with approval from the AAA Nutritionist.

- 3.4.5.3 Contractor, central kitchen, or caterer must utilize a batch production (producing the product in multiple loads/batches) cooking schedule if the same drivers deliver meals on two (2) routes on the same day. Hot food may not be held for more than three (3) total combined hours in the central kitchen and in the delivery vehicle before delivery.

3.4.6 Frozen Meals:

- 3.4.6.1 Frozen food will be handled in a sanitary manner to assure absence of contamination and packaged to assure temperature control.
- 3.4.6.2 Meals must remain frozen until the final stop. Temperature should be no higher than thirty one degrees Fahrenheit (31°F).

3.5 Telephone Reassurance Requirements: Provides regular contact and safety checks by trained volunteers and/or employees to reassure and support Older Individuals who are homebound as specified herein:

- 3.5.1 Client must be either a Home-Delivered Meal recipient or on a waiting list for a Home-Delivered Meal.
- 3.5.2 Telephone Reassurance Service shall be provided to all Clients receiving a frozen Home-Delivered meal and all Clients on a waiting list for a Home-Delivered meal.
- 3.5.3 Telephone Call Frequency:
 - 3.5.3.1 At a minimum, Contractor must telephone Clients one (1) day per week for frozen meal Clients and one (1) call each month for Clients on a waiting list.
 - 3.5.3.2 At the discretion of the Contractor, Home-Delivered hot meal Clients may be called one (1) day per week.
 - 3.5.3.3 Contractor must establish and maintain a telephone log demonstrating frequency of calls for hot, frozen, and wait-listed Home-Delivered Meal Clients.

3.6 CLIENT ASSESSMENT FOR CONGREGATE MEAL SERVICE

3.6.1 Congregate Meal Assessment Requirements. Contractor shall comply with the following:

3.6.1.1 Initial Assessment: Contractor shall complete an Initial Assessment two (2) weeks before or after Congregate Meal Services first begin to determine Client eligibility by using the Universal Intake Form (UIF) (as provided annually by the AAA). Contractor shall complete the following:

- 3.6.1.1.1 Client's Name
- 3.6.1.1.2 Client's Address
- 3.6.1.1.3 Date of Birth
- 3.6.1.1.4 Gender
- 3.6.1.1.5 Race/Ethnicity
- 3.6.1.1.6 Income Status (which shall be identified as at, above, or below the AoA Federal Poverty Guidelines)
- 3.6.1.1.7 Living Arrangement (alone/not alone)
- 3.6.1.1.8 Nutritional Risk (utilizing the Nutrition Screening Initiative Checklist)

3.6.1.2 Contractor shall enter the Client's Initial Assessment into SAMS within two (2) weeks of first receiving ENP Services.

3.6.1.3 Contractor is required to work with the AAA's ENHANCE Program Contractor identified on the annual AAA Provider List to refer Clients that the Contractor has assessed at high nutrition risk according to the National Screening Initiative Checklist. See Paragraph 3.10 (Mandatory Coordination with ENHANCE Program Contractor) of this SOW.

3.6.1.4 Contractor must include a written record of each Client's Initial Assessment, any Reassessment (as described in Paragraph 3.6.2 below), and any other updates in the Client's file.

3.6.1.5 Contractor shall assist Older Individuals in taking advantage of benefits under other supportive services programs (e.g., 45 CFR Section 1321.65(f)), and Contractor shall provide referral(s) as necessary.

3.6.2 Congregate Meal Reassessments:

- 3.6.2.1** Perform a Reassessment by completing a new UIF as described in Paragraph 3.6.1.1. A Reassessment shall be performed annually for each Client.
- 3.6.2.2** Contractor shall enter a Client's Reassessment into the SAMS within two (2) weeks of completing the Reassessment.

3.7 CLIENT ASSESSMENT FOR HOME-DELIVERED MEALS

- 3.7.1** Contractor's initial determination of eligibility for Home-Delivered Meal Services may be accomplished by telephone.
- 3.7.2** Initial Assessment: Contractor shall complete the UIF to determine Client eligibility and shall be done in the home of the Client within two (2) weeks before or after Home-Delivered Meal Services first begin. Contractor shall complete the following:
 - 3.7.2.1** Client's Name
 - 3.7.2.2** Client's Address
 - 3.7.2.3** Date of Birth
 - 3.7.2.4** Gender
 - 3.7.2.5** Race/Ethnicity
 - 3.7.2.6** Income Status (which shall be identified as at, above or below the AoA Poverty Guidelines)
 - 3.7.2.7** Living Arrangement (alone/not alone)
 - 3.7.2.8** Nutritional Risk (utilizing the Nutrition Screening Initiative Checklist)
 - 3.7.2.9** Activities of Daily Living (ADL)
 - 3.7.2.10** Instrumental Activities of Daily Living (IADL)
- 3.7.3** Contractor shall enter the Client's Initial Assessment (UIF) into the SAMS within two (2) weeks of first receiving ENP Services.
- 3.7.4** Contractor shall implement criteria to assess the level of need for each eligible Home-Delivered Meal Service Client outlined in Paragraph 2.3 above, and the appropriate section(s) of the AAA Food Service Standard Operating Procedures Manual including any amendments or revisions to the Manual.

3.7.5 Home-Delivered Meal Reassessments:

3.7.5.1 Contractor shall perform an update of a Client's needs a minimum of once every three (3) months. Contractor shall update on the following schedule commencing three (3) months from when the Client first begins receiving Home-Delivered Meal Services:

3.7.5.1.1 At three (3) months, telephone the Client to determine if the need for Home-Delivered Meal Services still exists.

3.7.5.1.2 At six (6) months, conduct an in-home visit to determine if the need for Home-Delivered Meal Services still exists. The visit may include an evaluation of the type of meal (i.e., Hot and/or Frozen) the Client receives.

3.7.5.1.3 At nine (9) months, telephone the Client to determine if the need for Home-Delivered Meal Services still exists.

3.7.5.1.4 At twelve (12) months, perform a Reassessment by completing a new UIF as stated in Paragraph 3.7.2. This Reassessment shall be performed in the Client's home.

3.7.5.1.5 Contractor shall enter the Client's Reassessment into the SAMS within two (2) weeks of completing the Reassessment.

3.7.5.1.6 Contractor shall thereafter perform a quarterly update of the Client's needs based on the above-described 3-, 6-, 9-, 12-month schedule.

3.7.6 Contractor shall establish a waiting list whenever the Contractor is unable to provide Home-Delivered meals to all eligible Clients. The decision to place eligible Clients on a waiting list and their position on such a list shall be based on Older Individuals with the greatest economic/social needs, at-risk for institutional placement, and/or in accordance with policy established by the Contractor and approved by the AAA Nutritionist.

3.8 NUTRITION SERVICES INCENTIVE PROGRAM (NSIP)

3.8.1 The purpose of the NSIP is to provide incentives that encourage and reward effective performance by Contractor in the efficient delivery of nutritious meals to Older Individuals. The program is administered by the AoA. The program provides additional funding to supplement the cost for food used in meals served under Section 311 of the OAA. NSIP reimbursement may be requested by Contractor for meals which:

3.8.1.1 Meet the dietary guidelines, as specified in Section 339 of the OAA (42 USC 3030g-21).

3.8.1.2 Are served to eligible Clients, as specified in Paragraphs 2.2 and 2.3 of this SOW.

3.8.1.3 Are served to volunteers of any age pursuant to Paragraph 2.2.5 of this SOW.

3.8.1.4 Meet the General ENP Meal Requirements outlined in Sub-paragraphs 3.2.1, 3.2.2, 3.2.3, and 3.2.4 above.

3.8.2 NSIP Reimbursement: Subject to the availability of funding from NSIP through the CDA and the requirements of the SOW, the County agrees to make payments for NSIP to Contractor as follows:

3.8.2.1 NSIP reimbursement shall be used only to purchase food used in the ENP.

3.8.2.2 Contractor shall submit to County a monthly invoice for Congregate and Home-Delivered Meals served as stated in Contract Paragraph 5.12 (Invoices and Payments). Meals eligible for reimbursement through NSIP will be derived from the invoice submitted by the Contractor.

3.8.2.3 NSIP shall be paid from funds separate from ENP Contract Funds. Contractor shall account for and maintain all NSIP funds received under the terms of this Contract separately from other Contract Funds (including ENP Contract Funds) administered by the Contractor.

3.8.2.4 If the County receives notice from the CDA of any change in the NSIP rate, County shall automatically pay Contractor at the new rate for the Services delivered.

3.8.2.5 NSIP funds shall not be used to meet cost sharing or as matching funds for any other federal program.

3.9 MANDATORY COORDINATION WITH DIETARY ADMINISTRATIVE SERVICES (DASS) PROGRAM CONTRACTOR

3.9.1 Contractor is required to work with the AAA's DASS Contractor identified in the AAA Provider List (as provided by the AAA on an annual basis) to receive the following Services: Project Dietitian/Nutritionist oversight; nutrition education for Congregate and Home-Delivered Meal Clients; quality assurance; monitoring of meal sites and routes; training for food service staff and volunteers; and technical assistance in areas such as menu development, caterer selection, purchasing and problem-solving.

3.9.2 Contractor shall correct any problems noted in DASS Contractor's Monitoring Reports submitted to the Contractor each month.

3.9.3 Development of Project Menus: Contractor must work with the DASS Contractor Project Dietitian/Nutritionist to develop menus for the Nutrition Program. DASS Contractor and Contractor will include input from food production staff, caterers and the Contractor's Senior Project Advisory Council, as described in Sub-paragraph 3.9.3.1.

3.9.3.1 Senior Project Advisory Council: A group of program Clients recruited selected and organized by the Contractor to provide input and advice on Services and Program policies.

3.9.4 Approval Project Menus: Project menus meeting Dietary Guidelines requirements (Section 339 of the OAA (42 USC 3030g-21)) must be approved by the AAA DASS Contractor and certified (reviewed and approved) by the AAA Nutritionist.

3.9.5 Contractor shall develop and implement a staff training curriculum each year utilizing the DASS Contractor and resources of the AAA as available, and calling upon experts within the community to develop and/or provide training. At a minimum the training shall include emergency preparedness.

3.9.5.1 Contractor shall also coordinate staff training with DASS Contractor and AAA Nutritionist.

3.9.5.2 Contractor shall comply with all training requirements outlined in Title 22 CCR 7636.5.

3.10 MANDATORY COORDINATION WITH EFFECTIVE NUTRITIONAL HEALTH ASSESSMENT NETWORKS OF CARE FOR ELDERLY (ENHANCE) PROGRAM CONTRACTOR

- 3.10.1 Contractor is required to make Client referrals, either in person, by FAX, phone or email, to the ENHANCE Contractor (identified in the AAA Annual Nutrition Program Provider list), for all Clients who are diabetic or score six (6) and above on the Nutrition Risk Score.
- 3.10.2 Contractor may plan and schedule appropriate Health Promotion Clinics at congregate meal sites which are selected with input from the Senior Project Advisory Council and coordinated with the ENHANCE Contractor.

3.11 CENTRAL KITCHEN/CATERER

In order to provide meals prepared pursuant to this Contract, the Contractor must utilize a central kitchen or caterer for the preparation of meals. In either case, the Contractor shall ensure that the following guidelines are implemented.

- 3.11.1 Contractor shall employ a Project Director, Food Service Manager or a Caterer, and Site Manager who are certified Food Protection Managers by the Los Angeles County Department of Public Health. There must be a certified person in-charge at each kitchen and at each congregate meal site. The Project Director and Food Service Manager/Caterer must obtain a Hazard Analysis and Critical Control Points (HACCP) Program Training.
- 3.11.2 Contractor shall ensure Caterer's staff that prepare and/or serve food shall possess a Food Handler Certification Card issued by the State of California.
- 3.11.3 Contractor shall ensure that all kitchens, congregate meal sites, and caterers maintain and utilize operational HACCP and quality assurance programs.
- 3.11.4 Contractor shall conform to the requirements outlined in 22 CCR 7630-7638.13, and the appropriate section(s) of the AAA Food Service Standard Operating Procedures Manual including any amendments or revisions.

3.12 SELECTION OF CATERER PROVIDER

- 3.12.1 Competitive Bid Process/Procurement of Caterer (catering services): Contractor proposing subcontracting the preparation of meals is

required to contract only with caterers approved by the AAA Nutritionist. The AAA Approved Caterer List shall be provided by the AAA Nutritionist on an annual basis.

3.12.2 Contractor shall award an Elderly Nutrition Services contract to caterer for Congregate and/or Home-Delivered Meals through a competitive bid process, pursuant to 22 CCR Sections 7352 through 7364.

3.12.3 Contractor must have approval from the County prior to entering a subcontract and must abide by the provisions of Contract Paragraph 8.40 (Subcontracting).

3.13 HEALTH AND FIRE INSPECTIONS

3.13.1 Contractor must maintain a grade of "B" or better from the Los Angeles County Department of Health Services (LACDHS) based on inspections conducted by LACDHS for food services. Contractor must submit copies of the annual inspection reports from both LACDHS and the Los Angeles County Fire Department or Contractor's local fire department, for each congregate meal site, central kitchen and/or caterer.

3.14 CONTRIBUTIONS AND FEES FOR COST OF MEALS

3.14.1 An eligible Client who receives a meal shall be given the opportunity to contribute to the cost of the meal. Contractor shall ensure all such contributions are voluntary and no pressure to contribute shall be brought to Clients.

3.14.2 Contractor shall develop a suggested contribution with input from the Senior Project Advisory Council.

3.14.3 When developing this contribution amount, the income ranges of the Older Individuals in the community and the Contractor's additional sources of income shall be considered.

3.14.4 A sign indicating the suggested contribution for eligible individuals, and the guest fee (amount charged to non-seniors), shall be posted by Contractor near the contribution container at each congregate meal site.

3.14.5 The guest fee shall be sufficient to cover all meal costs.

3.14.6 Contractor shall not state in pamphlets or on websites that payment is required for ENP Services.

3.14.7 No eligible individual shall be denied Services because of failure or inability to contribute.

3.14.8 Contractor shall ensure that the decision to contribute as well as the amount of the eligible Client's contribution is kept confidential.

3.14.9 Contractor shall establish written procedures to protect contributions and fees from loss, mishandling, and theft. Such procedures shall be kept on file at the Contractor's site.

3.14.10 All contributions and fees shall be identified as Grant Related Income and used to: increase the number of meals served, facilitate access to such meals, and to provide nutrition-related supportive services.

3.15 SUMMARY OF UNITS OF SERVICE

3.15.1 Unit Rates may be subject to change based on fund availability and Program costs.

Unit of Service	Unit of Measurement	Maximum Unit Rate
Meal served to eligible Client at Congregate site (C-1)	One (1) meal served containing typical American food (Beef Stew, etc.)	\$4.60
	One (1) meal served containing Ethnic food ⁽¹⁾ or Salad Bar ⁽²⁾	\$5.65
Meal served to eligible Home – Delivered Meal Client (C-2)	One (1) meal served- Hot	\$5.65
	One (1) meal served-Frozen	\$3.95
Telephone Reassurance	One (1) telephone call	\$0.60

⁽¹⁾ Ethnic food (Asian, Kosher, etc.) costs are deemed higher due to the special food components that are not available in most markets, or because of special food production processes. Contractor shall provide sufficient documentation justifying the increase in cost in providing Ethnic food.

⁽²⁾ Salad bar costs are deemed higher due to the use of wider varieties of seasonal fresh food and vegetables (e.g. blueberries, raspberries, avocados, rhubarb, salads, etc.) that are high on phytochemicals.

- 3.15.2 In addition, Contractor may receive the following reimbursement from NSIP funds.

Unit of Service	Unit of Measurement	Maximum Unit Rate
NSIP: Meal Served to an Eligible Client at a congregate meal site	One (1) meal served	\$0.54
NSIP: Meal Served to an Eligible Home-Delivered Meal Client	One (1) meal served	\$0.60

4.0 ADDITIONAL REQUIREMENTS

In addition to the specific tasks necessary to provide Units of Service to Clients, Contractor must also adhere to minimum requirements that are necessary to operate the Program. These requirements ensure that the Contractor maintains the appropriate level of care, performance, staffing, reporting and compliance with Los Angeles County, State, and Federal guidelines that govern the Program. The Contractor is responsible for ensuring that its operations meet the requirements delineated below in order to provide the optimal level of Services to Clients as prescribed by this Contract.

- 4.1 Contractor shall provide Community Outreach, which is defined as actively providing and disseminating Program information to the public on what Services may be available to potential eligible Clients. Contractor shall also market the Services to all ethnic groups in each Supervisorial District in which the Services are being provided by Contractor.

- 4.1.1 Contractor shall ensure that information and assistance on Services are provided to all populations including, but not limited to, homeless, veterans, and Lesbian-Gay-Bisexual-Transgender (LGBT) Clients.

5.0 CONTRACTOR PERSONNEL

5.1 General Requirements:

- 5.1.1 CONTRATOR shall have a sufficient number of qualified staff with the appropriate education, licensure, and experience to carry out the requirements of the Program. The total number of staff shall be based on the method and level of Services provided and the size of the service area served by Contractor.
- 5.1.2 Contractor shall operate continuously throughout the entire term of this Contract with at least the minimum number of staff set forth herein, as well as any other applicable staffing requirements of County, necessary for Contractor to provide Services hereunder.

Such personnel shall meet all qualifications in this Contract, as well as those provided by County through Contract Amendments, Administrative Directives, and Program Policy Memorandums.

- 5.1.3 The Contractor shall ensure that Contractor staff is available to all Clients, potential Clients, referral sources, as well as the County, on a minimum five-day-a-week (Monday through Friday) basis (does not include County recognized holidays). Contractor's office shall be open a minimum eight (8) hours per day between the hours of 8:00 a.m. to 5:00 p.m. Contractor shall also ensure that personal telephone contact with Contractor's staff is available to Clients, potential Clients, as well as the County during Contractor's hours of operation. Contractor shall also ensure that each Contractor office location has telephone answering machine or voice mail in place during off-business hours. Contractor staff shall check and respond to all messages in timely manner.
- 5.1.4 Contractor shall always have an employee with the authority to act on behalf of the Contractor available during work hours.
- 5.2 Project Director Requirements (Contract - Sub-paragraph 7.1 – Contractor's Project Director):
 - 5.2.1 Responsibilities: The Project Director will plan, organize and direct all administrative and program activities related to the Program/AAA Contract. The Project Director will define lines of authority and will develop the roles and parameters of responsibility for Program staff consistent with established requirements. In addition, the Project Director serves as the coordinator/liaison for all AAA-funded services, ensuring that any overall communications relevant to AAA Services are conveyed to the appropriate personnel.
 - 5.2.2 Minimum Education, Experience and Qualifications:
 - 5.2.2.1 At least a Bachelor's degree from an accredited university.
 - 5.2.2.2 A minimum of two (2) years of experience in food services or related field, or approval by the AAA Nutritionist. In addition, the individual must possess and demonstrate the following:
 - 5.2.2.2.1 Demonstrable problem-solving skills and experience;

- 5.2.2.2.2 Ability to explain administrative goals, policies and procedures and assist staff in adjusting to changes that occur;
- 5.2.2.2.3 Ability to evaluate the performance of food service and site managers based on established criteria;
- 5.2.2.2.4 Expertise in the provision of social service to older adults;
- 5.2.2.2.5 Successful completion of a basic course of training in Hazard Analysis Critical Control Point (HAACP) within six (6) months of hire; and
- 5.2.2.2.6 Current certification as a Food Protection Manager by the Los Angeles County Department of Public Health Services, or certification with six (6) months of hire.

5.3 Food Service Manager

5.3.1 Responsibilities: When Contractor operates a central kitchen, providing Client meals, the Contractor shall employ a Food Service Manager who shall oversee the daily food service operations, both managerial and administrative, of the ENP.

5.3.2 Minimum Education, Experience and Qualifications:

5.3.2.1 The Food Service Manager shall be certified as a Food Protection Manager by the Los Angeles County Department of Public Health and will successfully complete the basic HACCP course, and within six (6) months of hire meet one of the criteria listed in Sub-paragraphs 5.3.2.1.1, 5.3.2.1.2, or 5.3.2.1.3.

5.3.2.1.1 Possess at least an Associate's degree in institutional food service management, or a closely related field, such as, but not limited to, restaurant management, plus two (2) years experience as a food service supervisor; or

5.3.2.1.2 Demonstrate experience in food service, such as, but not limited to, cooking at a restaurant, and within (12) months of hire: successfully

complete a minimum of twenty (20) hours specifically related to food service management, business administration, or personnel management at the college level. Prior to completion of required hours, this individual's performance shall be evaluated through quarterly monitoring by a Registered Dietitian; or

5.3.2.1.3 Two (2) years of experience managing food services. Such experience shall be verified by the Contractor and approved by the AAA Nutritionist prior to hire.

5.3.2.2 Must speak, read and communicate fluently in English.

5.3.2.3 Spanish fluency is desirable.

5.4 Site Manager

Congregate Meal Service Contractor staff must include a Site Manager(s) at each congregate meal site.

5.4.1 Responsibilities: The Site Manager will be located at each congregate meal site to oversee all the daily activities and shall physically remain at the site during the times Congregate Meal Services occur.

5.4.2 Minimum Education, Experience and Qualifications:

5.4.2.1 The Site Manager must obtain certification as a Food Protection Manager from the Los Angeles County Department of Public Health within six (6) months of being hired.

5.4.2.2 Site manager must be able to speak, read, write, and communicate in English.

5.4.2.3 Spanish fluency is desirable.

5.5 Home-Delivered Meal (HDM) Case Worker

Home-Delivered Meal Service Contractor staff must include a HDM Case Worker(s)

- 5.5.1 Responsibilities: Under the direction of the Project Director, the HDM Case Worker will conduct in-home evaluation of a Client's needs and identify the ADL, IADL, and other limitations that impede independent living. The HDM Case Worker shall make recommendations and referrals as appropriate to other service organizations, giving priority to AAA-funded Programs.
- 5.5.2 Minimum Education, Experience and Qualifications:
 - 5.5.2.1 At least a Bachelor's degree in human services, or two (2) years of full-time paid or volunteer experience in homecare or related field and the following skills;
 - 5.5.2.2 Demonstrated ability to communicate effectively with Clients and family members; and
 - 5.5.2.3 Demonstrated ability to treat Clients, family members and co-workers with respect and dignity.
- 5.6 Home-Delivered Meal (HDM) Driver(s)
 - 5.6.1 HDM Driver shall have a valid and appropriate California Drivers License and valid vehicle insurance in compliance with Contract Paragraph 8.24 (General Provisions for all Insurance Coverage and Sub-paragraph 8.25 (Insurance Coverage).
 - 5.6.2 Contractor's HDM Driver(s) shall be properly trained in food handling as described in Paragraph 3.4 of this SOW and attend trainings provided by DASS Contractor as appropriate.
- 5.7 Other Staff
 - 5.7.1 Volunteer Services: Volunteers shall be recruited and used in any phase of program operations where qualified.
 - 5.7.2 Preference to hire Older Individuals: Preference shall be given to hiring Older Individuals subject to the qualifications of the position.
- 5.8 Caterer (not applicable to Contractor utilizing a central kitchen as the sole means of Congregate or Home-Delivered meal preparation): A Caterer must meet the minimum education, experience, and qualifications outlined for the Food Service Manager.
 - 5.8.1 Caterer's employees that prepare and/or serve food must possess a Food Handler certificate issued by the State of California.

6.0 FISCAL

6.1 Matching Share

6.1.1 Contractor shall provide at least a 15% match (contribution) of its Maximum Annual Contract Sum/Expenditures as funded by County in accordance with the provisions of Exhibit B (Budget). The matching share may be in cash or an in-kind contribution or compensation thereof.

6.1.1.1 In-kind contributions are property or services provided by Contractor which benefit a contract-supported project or program and which are contributed by non-federal entities without charge to the Contractor.

6.1.1.2 The criteria for establishing the value on non-cash items shall be Fair Market Value, and in the case of Volunteer Services, shall be Fair Market Value of Services. However, in-kind contributions performed via Volunteer Services shall not exceed 50% of the required 15% Contractor match.

6.2 Contractor Indirect Costs

6.2.1 The maximum amount payable under this Contract for Indirect Costs is 8% of Contractor's Maximum Annual Contract Sum.

6.2.1.1 Indirect Costs: Costs that have been incurred for common or joint purposes and cannot be readily identified with a particular final cost objective. Examples of Indirect Costs include salaries, employee benefits, supplies and other costs related to general administration of the organization and salaries and expenses of executive officers, personnel administration and accounting.

6.2.2 If Contractor requests payment for Indirect Costs, Contractor shall retain on file an approved Indirect Cost rate or a cost allocation plan documenting the methodology used to determine Indirect Costs. Indirect Costs exceeding the 8% maximum may not be charged to the Contract; however, such costs in excess of the 8% Indirect Costs maximum may be budgeted as a match contribution and used to meet the minimum requirements specified in Paragraph 6.1 above.

6.3 Cost Allocation Plan for Cost Reimbursement Activities

6.3.1 Contractor shall submit an annual organization-wide Cost Allocation Plan pursuant to the requirements outlined herein. The Cost Allocation Plan shall be prepared in accordance with County instructions and applicable OMB Circulars and, at a minimum, it shall include the following information:

6.3.1.1 Contractor general accounting policies:

6.3.1.1.1 Basis of accounting

6.3.1.1.2 Fiscal Year

6.3.1.1.3 Method for allocating indirect costs (simplified, direct, multiple, negotiated rate)

6.3.1.1.4 Indirect cost rate allocation base

6.3.1.2 Identify the Contractor's direct and indirect costs (by category) and describe the cost allocation methodology for each category.

6.3.1.3 Contractor's Authorized Representative (as defined in Contract Exhibit J (Definitions)) shall sign the Cost Allocation Plan, certifying the accuracy of the Plan.

6.3.1.4 The Contractor's Cost Allocation Plan shall support the distribution of any joint costs with other funding sources related to the tasks and activities of this Contract. All costs included in the Cost Allocation Plan will be supported by formal accounting records, which will substantiate the propriety of eventual charges. Budget allocations are not adequate documentation.

6.3.2 Contractor shall submit a Cost Allocation Plan to County's Contract Manager, identified by Fiscal Year, as follows:

6.3.2.1 The County has developed a sample Cost Allocation Plan; Contractor may request a copy thereof upon providing a written request to County's Contract Manager.

6.3.2.2 Contractor shall submit the Cost allocation Plan to County's Contract Manager within sixty (60) days of execution of the Contract.

6.3.2.3 Annually, Contractor shall also submit a new Cost Allocation Plan to County's Contract Manager for review

and approval within sixty (60) days of the start of each Fiscal Year.

6.3.2.4 The Cost Allocation Plan shall be subject to review and approval by the County.

6.3.3 County will test Contractor's Cost Allocation Plan during the normal course of monitoring to ensure Contractor's compliance with this Contract and OMB Circular requirements. Contractor's failure to comply may result in suspension of payment(s), suspension of this Contract, termination of this Contract or other remedies as determined by County under this Contract or at law.

6.3.4 Pursuant to record retention policies outlined in Contract Paragraph 8.38 (Record Retention and Inspection/Audit Settlement) of the Contract, Contractor will retain on file all documentation supporting the methodology utilized to determine the reasonableness of the costs associated with Contract tasks and activities.

6.4 Closeout Reports

6.4.1 At the end of each Fiscal Year, the Contractor shall prepare and submit the Closeout Report in the form and manner designated by County. The Closeout Report shall include the reporting of expenses and accruals through the last day of the Fiscal Year. The County will notify Contractor of the deadline for submission of the Closeout Report.

6.4.2 If this Contract is terminated or cancelled prior to June 30th of any Fiscal Year, the Closeout Report shall be for that Contract period which ends on the termination or cancellation date. Contractor shall submit the Closeout Report after the termination/cancellation date in the manner and timeframe designated by County.

6.5 Program Income Statement Report

6.5.1 Program Income is revenue that is generated or has been properly earned by Contractor (and/or subcontractor) from Contract activities. Program Income includes, but is not limited to:

6.5.1.1 Voluntary contributions received from Client or responsible party as a result of Services;

6.5.1.2 Income from usage or rental fees of real or personal property acquired with Contract Funds;

- 6.5.1.3 Royalties received on patents and copyrights from Contract activities; proceeds from the sale of items fabricated under Contract; and
 - 6.5.1.4 Fees earned from the provision of Contract Services.
- 6.5.2 While the preceding list reflects various types of Program Income, it is not an exhaustive list of items which can be classified as Program Income. Contractor shall adhere to the Program Income requirements outlined in the applicable OMB Circulars and CFR that pertain to Contractor's organization (i.e., OMB Circular A-102, OMB Circular A-110 (2 CFR Part 215), Title 29 CFR Part 95, or Title 29 CFR Part 97).
- 6.5.3 The use of Program Income requires prior written approval from County's Contract Manager.
- 6.5.4 Program Income Statement Report
 - 6.5.4.1 Contractor shall prepare a Program Income Statement Report ("Report") on Contract revenues versus expenditures. The purpose of this Report is to identify the amount of Program Income. The Report should be amended if adjustments are required due to any new information received after the filing of the Report.
 - 6.5.4.2 The Report shall be submitted along with the Closeout Report in the form, manner and timeline as designated by County.
- 6.5.5 Plan for Disposition of Program Income
 - 6.5.5.1 If Contractor's Program Income Statement Report identifies Program Income, Contractor shall prepare and submit a Plan for Disposition of Program Income ("Plan"). The Plan shall be completed and submitted in the form and manner as designated by County within thirty (30) days after the Program Income Statement Report is due.
 - 6.5.5.2 The Plan shall be reviewed by County for final approval. The Plan shall be amended as soon as possible if the Program Income Statement Report is amended.
 - 6.5.5.3 Program Income shall be spent on line items identified by Contractor in the Plan (upon County's approval of the Plan).

6.5.6 Final Report on Disposition of Program Income

6.5.6.1 Within thirty (30) days after the scheduled completion date of an approved Plan for Disposition of Program Income, Contractor must submit a Final Report on Disposition of Program Income ("Final Report") to County in the form and manner designated by County.

6.5.6.2 If the Final Report is not submitted on the scheduled date, County in its sole discretion, shall extend the completion date, renegotiate the Plan for Disposition of Program Income, recapture the balance of the unexpended Program Income or pursue any other remedies available to County under the Contract.

6.6 Cash Reserve

6.6.1 Contractor must maintain a cash reserve equal to the amount it would cost to operate the Program for one (1) month.

6.6.2 Program Contract Funds may not be included in cash reserves.

6.7 Method of Compensation

6.7.1 County, at its sole discretion, has the option of altering the method of payment from full reimbursement for Units of Service completed to an amount equal to one-twelfth (1/12) of the Maximum Annual Contract Sum amount per month, if the Contractor is providing Services to more Clients than anticipated at the time Services are first provided under the provisions of this Contract, and it appears Contract Funds will be completely drawn down prior to the full term of the Contract.

7.0 PROGRAM PERFORMANCE/REALLOCATION OF CONTRACT FUNDS

7.1 The Contractor is required to provide 100% of Services and expend 100% of the Maximum Annual Contract Sum contracted for and as stated in this Exhibit, Exhibit B (Budget), Exhibit C (Mandated Program Services), Exhibit S (Performance Requirements Summary Chart). A new or updated Exhibit B (Budget) and Exhibit C (Mandated Program Services) shall be completed by Contractor and provided to the County prior to the beginning of each Fiscal Year.

7.2 Contractor's Program performance and Contract Funds of said Program will be evaluated during each Fiscal Year. Services and Contract Funds may be reallocated if Contractor fails to either provide 95% of Services and/or expend

95% of the Maximum Annual Contract Sum allocated under this Contract, as provided in Exhibit B (Budget) and/or Exhibit C (Mandated Program Services). Contractor's Services and Contract Funds may be reduced and reallocated to other AAA Contractors that are performing and/or expending at a higher level/rate and qualify for increases in its Services and Maximum Annual Contract Sum. Additionally, the County, at its discretion, may reduce the Contractor's Services and Maximum Annual Contract Sum paid thereon in the following Fiscal Year to more accurately reflect the Contractor's level of performance/expenditure.

- 7.3 Contractor acknowledges that this Contract includes Performance Requirements Standards that will measure the Contractor's performance related to the Program. Exhibit S (Performance Requirements Summary Chart) identifies the standards required and the corresponding Acceptable Quality Level that Contractor is responsible for meeting.

8.0 REPORTS, DOCUMENTATION, AND DIRECT DATA ENTRY

The California State Department of Aging requires Contractor to establish record procedures that ensure the accuracy and authenticity of the number of eligible Client Services provided each day. The Contractor shall ensure the actual date Service(s) is/are rendered are tracked, documented, and reported. Contractor shall submit to County, on a monthly basis and no later than the tenth (10th) day of the month following the month of Service, a report which includes: the total number of Clients served, the type of Services provided, and the actual number of Services provided to the Client, including the date(s) of Service. If the tenth (10th) day of the month falls on a weekend or holiday, the due date shall be the next business day.

- 8.1 Contractor shall maintain all records and reports, consistent with the Contract Paragraph 8.38 (Record Retention and Inspection/Audit Settlement), and shall make them available for audit, assessment, or inspection by authorized representatives of CSS.
- 8.2 All information, records, data elements, and print-outs collected and maintained for the operation of the Program and pertaining to Clients (including paper and electronic data) must be protected from unauthorized disclosures in accordance with the Contract Paragraph 7.5 (Confidentiality); California Welfare and Institutions Code Section 10850; 45 CFR Section 205.50; California Information Practices Act of 1977; and all other applicable laws and regulations and amendments thereto.

9.0 CUSTOMER SATISFACTION SURVEYS

Contractor is required to conduct ongoing customer satisfaction surveys with Clients and keep a copy of the completed surveys on file and accessible to County for review. The results of the surveys will be used by Contractor to make quality

improvements in Services provided to all Program Clients. The Contractor may be asked by County to comply with and develop other outcome measures.

10.0 QUALITY CONTROL PLAN

The Contractor shall establish and utilize a comprehensive Quality Control Plan (QCP) to assure the County a consistently high level of service throughout the term of the Contract. The QCP shall be retained on file at the Contractor's main administrative office. The QCP shall include, but not be limited to, the following:

- 10.1 A method of monitoring to ensure that Contract requirements are being met;
- 10.2 A record of all inspections conducted by the Contractor, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, shall be provided to the County upon request.

11.0 INFORMATION TECHNOLOGY SYSTEMS

- 11.1 Social Assistance Management System (SAMS): Contractor is required to participate in SAMS and to have a web-based compatible microcomputer system, a dedicated phone line, and to ensure equipment is in working condition. Contractor shall be responsible for its own data input of required information for monthly transmission to SAMS.

- 11.1.1 SAMS Personnel: Contractor shall assign an employee to have the primary responsibility for Client data entry into SAMS. This person will be the primary contact person for Client data issues and problems. The individual will be assigned a password to log-in and enter Client information. A back-up employee must be designated to act on behalf of the primary SAMS contact person in the event of his or her absence.

- 11.1.1.1 Contractor shall inform the County of the name of the Contractor's SAMS employee and back-up employee at the start of this Contract and within two (2) weeks of any reassignment or substitution. Only those Contractor employees who have been designated by Contractor and assigned a password by County shall be allowed to access SAMS.

- 11.1.1.2 Contractor shall ensure that the SAMS employee and back-up SAMS employee are properly trained to operate SAMS and attend all SAMS training provided by the AAA.

11.2 Contract Management System (CMS): County has developed the Contract Management System Gateway ("System"), an automated system designed to electronically manage the Contract. County has implemented the System and Contractor shall use the System to perform its administrative contracting functions as directed by the County.

11.2.1 County has established policies concerning the access, use and maintenance of the System. Contractor shall adhere to these policies, which include Contract Exhibit R (Contract Management System - Contractors Gateway Terms and Conditions of Use) instruction guides/tutorials provided by County, training sessions conducted by County, etc. Contractor's noncompliance with these policies may subject Contractor to denial of access to the System, suspension of payment(s), termination of the Contract, and/or other actions which County may take at its sole discretion.

12.0 UNUSUAL OCCURRENCES OR CRIME

Unusual Occurrences such as natural disaster (including earthquakes, floods, landslides, wildfires, extreme heat/cold), man-made emergencies (such as epidemic outbreaks, bio-terrorism, food-borne illness, fire, major accidents, death from unnatural causes or other catastrophes), and unusual occurrences which threaten the welfare, safety or health of Clients, personnel or visitors shall be reported by the Contractor within twenty-four (24) hours to the local health officer by telephone and also in writing, and to CSS by telephone and also in writing or email.

Crime related occurrences, such as theft or vandalism, must be reported by Contractor within twenty-four (24) hours to the local police or sheriff by filing a police report and to CSS by telephone, and in writing or email. The Contractor shall prepare and retain an incident report on file, and shall include a copy of the filed police report. Contractor shall maintain all incident reports in a manner consistent with Contract Paragraph 8.38 (Record Retention and Inspection/Audit Settlement). The Contractor shall furnish such other pertinent information related to such occurrence as the local authorities and/or CSS may require.

13.0 EMERGENCY AND DISASTER PREPAREDNESS

13.1 Notwithstanding Contractor's and County's contractual objective to provide Services to eligible persons, Contractor shall make Services available to any person impacted during the event of a nationally- or state- declared emergency, contingent upon the availability and commitment of Federal Emergency Management Agency (FEMA) or State Office of Emergency Services (OES) funds with which to reimburse Contractor for funds expended.

13.1.1 Contractor must have a written emergency plan on file describing how Services will be maintained during the event of a disaster or emergency.

13.1.2 Contractor must maintain a registry of Program Clients for emergency purposes.

13.2 Contractor shall develop and have on file a written Business Continuity Plan (BCP) that describes how Contractor will reduce the adverse impacts to Clients as determined by both the scope of the event (who and what it affects, and to what extent), and also its duration (e.g., hours, days, months). Contractor shall make the BCP available to its employees, volunteers, and Subcontractors for reference before, during, and after such disruptions.

14.0 LICENSES AND CERTIFICATIONS

Contractor shall obtain and maintain, during the term of this Contract, for Contractor and all staff, all appropriate licenses, permits and certificates required by all applicable Los Angeles County, State of California and/or Federal laws, regulations, guidelines, and directives for the operation of its facility(ies) and for the provision of Services hereunder. Prior to the execution of the Contract, and in cases of new staff or staff with updated licenses, permits or certifications, Contractor shall provide CSS CMD with copies of all new or updated licenses, permits and certificates within ten (10) business days of the license, permit or certification award or update. Copies shall be sent to the County's Contract Manager listed in Exhibit E of the Contract.

14.1 If Contractor operates a Program kitchen facility and/or subcontracts with a caterer, Contractor must maintain proof of the following:

14.1.1 Public Health Permit and/or Business License

14.1.2 Health Department Inspection Report (recent twelve (12) months for each central kitchen and/or congregate meal site)

14.1.3 Fire Department of Inspection Report (recent twelve (12) months for each central kitchen and/or congregate meal site)

14.1.4 Hazard Analysis Critical Control Point (HACCP) Certificate, Food Protection Manager Certificate (ServSafe Certificate) for Food Service Manager

14.1.5 Certificates of Insurance as indicated in Contract Paragraph 8.24 (General Provisions for All Insurance Coverage) and Paragraph 8.25 (Insurance Coverage).

15.0 TRAININGS

- 15.1 Contractor shall develop and implement an internal staff training policy, including the provision of an orientation to all new staff (which shall include employees and volunteers). Contractor is responsible for ensuring its staff both existing and new are properly trained in all areas related to providing Services, and receive training on employment safety.
- 15.2 The Contractor's Project Director shall ensure that all appropriate Contractor employees & volunteers attend all training sessions as required by CSS Director, or authorized designee, held at a County facility or another site, as determined by the County, for Contractor's benefit. Further, Contractor shall ensure that, at a minimum, a Contractor employee represents the Contractor at each training session. The Contractor may also attend training opportunities outside of Los Angeles County that the Contractor reasonably deems to be beneficial for the delivery of Client Services.
- 15.3 Security Awareness Training: Contractor shall ensure that Contractor employees and volunteers who handle personal, sensitive or confidential information relating to the Program complete the Security Awareness Training module located at www.aging.ca.gov within thirty (30) days of the start date of this Contract or within thirty (30) days of the start date of any new employees or volunteers. Contractor shall maintain certificates of completion on file and provide them upon request by County or State representatives.

16.0 MEETINGS

- 16.1 Contractor must attend all mandated meetings called by CSS Director, or authorized designee. Contractor shall be given at least seven (7) days advance notice of all scheduled meetings with the County. Failure to attend mandated meetings shall be considered non-compliance with the Contract, and may result in further action pursuant to Contract Paragraph (9.12 (Probation and Suspension), and any other applicable Contract provisions.
- 16.2 Contractor staff is also required to regularly attend meetings that offer ways to expand knowledge of and increase efficiency in the Services provided. These meetings may be called by AAA and held at a County facility or another site, as determined by the County. The Contractor may also choose to attend educational or training opportunities outside of Los Angeles County that the Contractor reasonably deems to be beneficial for the delivery of Client Services or other meetings designated by the AAA.

17.0 COLLABORATIONS

Contractor must form collaborations with County and City of Los Angeles Contractors providing Services funded through the OAA, including other Program Contractors and other community organizations in order to ensure comprehensive and coordinated Service delivery and to prevent unnecessary duplication of Services. Contractor is encouraged to share vital assessment information with other agencies providing Services to the Client in the home. However, in sharing information with other agencies, the Contractor must respect Client confidentiality rights, adhere to applicable confidentiality regulations, and follow appropriate protocols.

The Contractor shall establish procedures to protect all Client information consistent with the terms of this Contract; any amendments thereto; and all applicable laws and shall not disclose Client information outside of CSS without prior written consent from CSS and the Client.

18.0 LOCATION OF SERVICE AND HOURS OF OPERATION

18.1 Contractor shall maintain an office in Los Angeles County.

18.2 Contractor's office shall be open a minimum eight (8) hours per day between the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday.

18.3 Contractor shall publicly display at all Contractor office locations/sites the days and hours of operation for the provision of contracted Services.

18.4 Contractor shall inform the County in writing and receive a written County approval at least sixty (60) days prior to relocation of Contractor's office or site location(s).

18.4.1 Contractor shall include the identity of each designated community focal point in this Contract as specified in OAA, 42 USC 306(a)(3)(A). Contractor shall utilize Exhibit F (Contractor's Administration) of this Contract to identify or update the designated focal point site locations, as needed.

18.5 Contractor shall ensure that all site locations/buildings and surrounding areas are maintained in a manner consistent with applicable local, State, and Federal occupational safety and sanitation regulations. The premises shall be free of any accumulation of garbage, rubbish, stagnant water, or filthy or offensive matter of any kind to ensure that the premises are maintained in a clean and wholesome condition. The physical locations shall be acceptable and accessible to the public. Contractor shall comply with the Americans with Disabilities Act of 1990.

18.6 Contractor shall obtain:

- 18.6.1** Prior written consent of the Director of Community and Senior Services, or authorized designee, and shall comply with Contract Paragraph 9.8 (Modifications), as applicable, before modifying or terminating Services, or revising hours of service delivery at a previously designated location(s) and before commencing such Services at any other location.

18.7 Safety and Working Conditions

- 18.7.1** Contractor shall observe all applicable local, State and Federal health and safety standards. Contractor shall ensure that all Program Clients and Contractor employees and volunteers in a position not covered under the Occupational Health and Safety Act of 1970, as amended (29 USC Section 651 et seq.), and/or the California Occupational Safety and Health Act, as amended (Cal. Labor Code Section 6300 et seq.), are not required or permitted to work, be trained or receive Services under working conditions which are unsanitary, hazardous or otherwise detrimental to a person's health or safety.

19.0 MULTIPURPOSE SENIOR CENTERS

- 19.1** If Contractor operates a Multipurpose Senior Center, as defined under 42 USC Section 3002, Contractor must adhere to all applicable Los Angeles County, State of California, and Federal guidelines and regulations, including, but not limited to, 22 CCR Sections 7550 – 7562.
- 19.2** If Contractor operates a Multipurpose Senior Center, Contractor shall also comply with the provisions contained in the following Acts:
- 19.2.1** Copeland "Anti-Kickback" Act (18 USC 874) (29 CFR Part 3)
- 19.2.2** Davis-Bacon Act (40 USC 3141-3142) (29 CFR Part 5)
- 19.2.3** Contract Work Hours and Safety Standard Act (40 USC 327-332) (29 CFR Part 5)
- 19.2.4** Executive Order 11246 of September 14, 1965, entitled "Equal Employment Opportunity", as amended by Executive Order 11375 of October 13, 1967, as supplemented in Department of Labor Regulations (41 CFR Part 60)

19.3 Contractor acknowledges that when an existing facility has been altered with Contract Funds available by this Contract and is used as a Multipurpose Senior Center, the period of time in which such facility must be used as a Multipurpose Senior Center is as follows:

19.3.1 Not less than three (3) years from the date this Contract terminates where the amount of this Contract or the award of Contract Funds, including the non-federal share, does not exceed thirty thousand dollars (\$30,000).

19.3.2 If the amount of award exceeds thirty thousand (\$30,000), the fixed period of time shall be not less than three (3) years from the date of this Contract, increased one (1) year for each additional ten thousand dollars (\$10,000), or part thereof, to a maximum adjustment factor of seventy five thousand dollars (\$75,000).

19.3.3 For Contract amounts, or award of Contract Funds, exceeds seventy five thousand (\$75,000), the fixed period of time shall be not less than ten (10) years from the date Contract expires or terminates.

20.0 MULTILINGUAL CAPABILITIES OF CONTRACTOR'S STAFF

20.1 Contractor must provide Services to Clients with limited or no English speaking capabilities in the primary/native language of the Client. This shall be done using bilingual staff or a translator. Contractor shall make efforts to employ employees or a translator. Contractor shall make efforts to employ employees and recruit volunteers who are bilingual in these languages. Contractor shall not require any Client to provide his/her own translator.

20.2 The Contractor must be committed and sensitive to the delivery of Services that are culturally and linguistically appropriate. To that end, Contractor must seek to hire qualified staff that is multilingual and/or multicultural in order to better reflect the communities served. In addition, the Contractor and its employees including volunteers are expected to develop cultural competency and cross-cultural clinical practice skills. The Contractor must also develop effective linkages with various ethnic, health and social service agencies for the benefit of Clients.

21.0 GREEN INITIATIVES

21.1 Contractor shall use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits.

21.2 Contractor shall notify County's Contract Manager of Contractor's new green initiatives prior to the Contract commencement.

22.0 CONTRACT DOCUMENT DELIVERABLES

22.1 Contractor shall also complete and submit to the County certain other deliverable documents as specified herein. Prior to the commencement of this Contract and annually thereafter (or as otherwise established by County), Contractor shall submit the following deliverables in the form and manner that is prescribed by County: Contract Compliance Documents, Business Forms, Reporting Documents, and other documents requested from time to time by County or its designee(s):

22.1.1 Contract Compliance Documents (as described in Sub-paragraph 22.3)

22.1.2 Business Forms (as described in Sub-paragraph 22.4)

22.1.3 Reporting Documents (as described in Sub-paragraph 22.5)

22.1.4 Other Documents: During the term of this Contract, the County or its designee(s) may request from time to time additional documents from Contractor, and Contractor shall adhere to County's request for such documents.

22.2 Contractor's failure to timely submit documents required or requested by County may result in suspension of payments or other remedies as determined by County.

22.3 Contract Compliance Documents: Contractor shall provide to County's Contract Manager, by the deadline imposed by County, current copies of the following Contract Compliance Documents prior to the commencement of the Contract, and thereafter when requested by County:

22.3.1 Certificate of Insurance: Contractor shall provide such Certificate pursuant to the requirements outlined in Contract Paragraphs 8.24 (General Provisions for all Insurance Coverage) and 8.25 (Insurance Coverage).

22.3.2 Business License: Contractor shall provide a current copy of its Business License as issued by its state's Secretary of State on an annual basis.

22.3.3 Public Health Permit: For every Service site where Contractor provides Services (as defined in Exhibit J (Definitions) of the Contract) that require a Permit issued by County of Los Angeles Department of Public Health, Contractor shall annually provide a current copy of such Permit.

- 22.3.4 **Health Department Inspection Report:** For each Service site where Contractor provides Services that require an inspection by County of Los Angeles Department of Public Health, Contractor shall annually provide a current copy of such Report. In the event that violations are noted on the Report, Contractor shall ensure that it complies with all corrective measures as directed by the Department of Public Health. Contractor shall provide to County written evidence of its compliance within five (5) days of receiving the evidence from Public Health.
- 22.3.5 **Fire Department Inspection Report:** For each Service site that Client (as defined in Exhibit J (Definitions) of the Contract) will visit, Contractor shall obtain an annual fire inspection of its facility (ies). The inspection shall be conducted by the Los Angeles County Fire Department or by the Contractor's local fire department and Contractor shall obtain a written Report of the inspection which shall be provided to County. In the event that violations are noted on the Report, Contractor shall ensure that it complies with all corrective measures as directed by the fire department. Contractor shall provide to County written evidence of its compliance within five (5) days of receiving the evidence from the fire department.
- 22.4 **Business Forms:** Contractor shall provide to County's Contract Manager, by the deadline imposed by County, the following Business Forms prior to the commencement of the Contract, and thereafter when requested by County:
- 22.4.1 **Board of Directors' Resolution:** The Resolution provides written evidence to support the delegated authority that Contractor's organization has vested in its Authorized Representative (as defined in Exhibit J (Definitions) of the Contract), who will act on behalf of the Contractor pursuant to Contract Paragraph 8.3 (Authorization Warranty) of the Contract. Such written evidence shall adhere to the following requirements:
- 22.4.1.1 If Contractor is a public entity (defined as the government of the United States; the government of a State or political subdivision of a State; or an agency of the United States, a State, or a political subdivision of a State; or any interstate governmental agency), Contractor shall submit a copy of its resolution, order or motion which has been approved by its Governing Body (e.g., Board of Supervisors) to County. If Contractor is a private nonprofit entity, Contractor shall submit a copy of written authorization from its Governing Body (e.g., Board of Directors) to County.

- 22.4.1.2 Contractor's resolution, order, motion or other authorization shall contain the following elements: reference this Contract number; authorize execution of this Contract; identify Contractor's Authorized Representative who will execute the original Contract and any subsequent amendments to this Contract; and, approve and accept Contract Funds (as defined in Exhibit J (Definitions) of the Contract). In the event that there is a change in Contractor's Authorized Representative, Contractor shall notify County within five (5) days of the change pursuant to Contract Paragraph 8.34 (Notices), and shall provide a revised resolution, order, motion or other authorization which reflects the new Authorized Representative.
- 22.4.2 Articles of Incorporation: These documents shall reflect Contractor's legal name; and, County shall use these as verification of Contractor's name. In the event there are any amendments, Contractor shall so notify County within five (5) days of said amendment being enacted.
- 22.4.3 By-Laws: The internal rules which govern Contractor's organization and are generally concerned with the operation of the organization, and setting out the form, manner or procedure in which the organization should operate. Contractor shall notify County in writing within five (5) days of the enactment of any amendments to its By-Laws.
- 22.4.4 Tax Exempt Status Letter: Written documentation that is obtained from the Internal Revenue Service, evidencing Contractor's tax exempt status. Contractor shall notify County in writing within five (5) days of any change in its tax exempt status.
- 22.4.5 Organization Chart: Diagram of the Contractor's structure which outlines the hierarchy, relationships and relative ranks of its parts and positions/jobs. Contractor shall notify County in writing within five (5) days of any change in its organization chart.
- 22.4.6 Subcontract(s): Third-party agreement as defined in Contract Paragraph 8.40 (Subcontracting) and Contract Exhibit J (Definitions). Contractor shall notify County in writing within five (5) days of the enactment of any amendments to its subcontracts.
- 22.4.7 Complaints: Contractor shall provide its policy and procedures for receiving investigating and responding to Client complaints pursuant to the requirements outlined in Contract Paragraph 8.5 (Complaints).

22.5 Contractor shall provide to County's Contract Manager, by the deadline imposed by County, the following Reporting Documents prior to the commencement of the Contract, and thereafter when requested by County:

22.5.1 Cost Allocation Plan: This Plan shall adhere to the requirements outlined in Sub-paragraph 6.3 (Cost Allocation Plan for Reimbursement Activities) above.

22.5.2 Closeout Report: This Report shall adhere to the requirements outlined in Sub-paragraph 6.4 (Close-Out Reports) above.

22.5.3 Program Income Statement Report: This Report shall adhere to the requirements outlined in Sub-paragraph 6.5 (Program Income Statement Report) above.

22.5.4 Other Reporting Documents which County may request from time to time relating to Contractor's performance, Work, Services. County shall not be unreasonable in its request.

EXHIBIT D
CONTRACTOR'S EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

Contractor's Name

Contract Number

Address

Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Los Angeles County Code Section 4.32.010, the Contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

- | | | |
|--|------------------------------|-----------------------------|
| 1. The Contractor has a written policy statement prohibiting discrimination in all phases of employment. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. The Contractor periodically conducts a self-analysis or utilization analysis of its workforce. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. The Contractor has a system for determining if its employment practices are discriminatory against protected groups. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Name of Authorized Representative (Print)

Signature

Title of Authorized Representative (Print)

Date

EXHIBIT E
COUNTY'S ADMINISTRATION

FISCAL YEAR: 2012/13

COUNTY'S DEPARTMENT HEAD

Name: Ms. Cynthia D. Banks
Title: Director, Community and Senior Services
Address: 3175 West Sixth Street
 Los Angeles, Ca 90020
Telephone: (213) 637-0798
E-Mail Address: cbanks@css.lacounty.gov

COUNTY'S CONTRACT MANAGER

Name: Ms. Carol Domingo
Title: Program Manager
Address: 3175 West Sixth Street
 Los Angeles, Ca 90020
Telephone: (213) 639-6339
E-Mail Address: cdomingo@css.lacounty.gov

COUNTY'S PROGRAM MANAGER

Name: Ms. Anna Avdalyan
Title: Administrative Services Manager II
Address: 3333 Wilshire Boulevard, Room 400
 Los Angeles, Ca 90010
Telephone: (213) 738-2676
E-Mail Address: aavdalyan@css.lacounty.gov

COUNTY'S COMPLIANCE MANAGER

Name: Ms. Jackie Lynn Sakane
Title: Program Manager
Address: 3175 West Sixth Street
 Los Angeles, Ca 90020
Telephone: (213) 739-7321
E-Mail Address: jsakane@css.lacounty.gov

**EXHIBIT F
CONTRACTOR'S ADMINISTRATION**

CONTRACTOR'S NAME:

CONTRACT NO:

FISCAL YEAR:

CONTRACT SERVICES:

CONTRACTOR'S PROJECT DIRECTOR

Name:

Title:

Address:

Telephone:

Facsimile:

E-Mail Address:

CONTRACTOR'S AUTHORIZED REPRESENTATIVE(S)

Name:

Title:

Address:

Telephone:

Facsimile:

E-Mail Address:

Name:

Title:

Address:

Telephone:

Facsimile:

E-Mail Address:

INVOICES - AUTHORIZED SIGNER

Name: _____

Title: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

Signature: _____**NOTICES TO CONTRACTOR SHALL BE SENT TO:**

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

CONTRACTOR'S DESIGNATED COMMUNITY FOCAL POINTS

Site Name: _____

Site Address: _____

Telephone: _____

Site Name: _____

Site Address: _____

Telephone: _____

EXHIBIT G

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

GENERAL INFORMATION:

As referenced herein, Contractor has entered into Contract with County to provide Services to the County of Los Angeles. The County requires Contractor to adhere to the requirements outlined in Paragraph 7.5 – Confidentiality of the Contract, this Exhibit G – Contractor Acknowledgement and Confidentiality Agreement and Exhibit Q - Contractor's Obligations as a "Business Associate" Under the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act (Business Associate Agreement), as a condition of the work to be provided by Contractor under this Contract. By signing herein, Contractor certifies that Contractor and Contractor's Staff (defined below) shall adhere to these requirements.

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that Contractor employees, volunteers, consultants, outsourced vendors and independent contractors, (collectively "Contractor's Staff" as used herein) that provide Services under the Contract are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff rely exclusively upon Contractor for any payment of salaries and all other benefits payable by virtue of Contractor Staff's performance of work under the Contract.

Contractor understands and agrees that Contractor and Contractor's Staff are not employees of the County for any purpose whatsoever. Contractor and Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County by virtue of Contractor's performance of work under the Contract. Contractor understands and agrees that neither Contractor nor Contractor's Staff will acquire any rights or benefits from the County pursuant to any agreement between any person or entity and the County.

CONFIDENTIALITY AGREEMENT:

Access and Security to Confidential/Protected Information

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County of Los Angeles. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff shall protect the confidentiality of such data and information when it is involved in County work.

Contractor and Contractor's Staff agree to keep all of the following confidential and protect them against disclosure: health, criminal, and welfare recipient records; data and information pertaining to persons and/or entities receiving services from the County of Los Angeles; design concepts; algorithms; programs; formats; documentation; Contractor's proprietary information; proprietary information supplied by other County vendors that is provided to Contractor or Contractor's Staff

during the term of the Contract; and, other original materials produced, created, or provided to Contractor and Contractor's Staff under the Contract.

Data (information) received from Federal, State or local departments/agencies is confidential when it identifies an individual or an employing unit. Confidential information is not open to the public and requires special precautions to protect it from loss, unauthorized use, access, disclosure, modification, and destruction. Contractor shall keep all information furnished by a Federal, State, or local agency/department strictly confidential, and will make the information available to Contractor's Staff on a "need-to-know" basis, as specifically authorized in this Contract. Contractor shall instruct all employees with access to Federal, State or local information on the confidentiality of this information and the sanctions related to unauthorized use.

Applicable Confidentiality Laws

Contractor shall comply with all applicable laws pertaining to confidentiality. This shall include, but is not limited to, the confidentiality provisions of Section 827 and Section 10850 of the California Welfare and Institutions Code and the California Department of Social Services Manual of Policies and Procedures (MPP) Division 19.

Contractor shall have written procedures to protect the confidentiality and privacy of Client information collected for purposes of the Program, in accordance with all applicable laws and regulations, including Title 22 California Code of Regulations Section 7500 (b).

Disclosure of Confidential Information

Contractor and Contractor's Staff shall not divulge to any unauthorized person confidential or non-confidential data or information obtained while performing work pursuant to the Contract. Contractor shall send written notice to County's Contract Manager within five (5) business days prior to the release of such information when:

- Contractor receives a request for the release of any data or information unless the request is made by County authorities; Contractor shall not release said information without County's written approval.
- Requests to obtain confidential records are made through the legal process.

Consistent with all applicable laws, Contractor shall maintain the confidentiality of any information pertaining to Clients and the immediate family of any applicant or Client when such information may be obtained through application forms, interviews, tests, reports from the public agencies or counselors, or any other source. Contractor shall receive written permission from both the Client and County before releasing such information unless disclosure is required under the following conditions:

- By court process, order, or decree.
- For information which is necessary for the administration and monitoring of the performance, operation or evaluation of this Contract.
- Upon request from Federal, State, and County governmental authorities consistent with all applicable laws.

Contractor shall send written notice to County's Contract Manager within twenty-four (24) hours upon discovery of:

- Any actual or suspected misuse, misappropriation, unauthorized disclosure of, or unauthorized access to confidential information.
- Unauthorized access gained to computer(s) used by Contractor and Contractor's Staff, containing confidential information related to this Contract, including the names and information of referred Clients. Unauthorized access may include a virus or worm that penetrates and gains access to a computer and places a back door or keystroke logger on it, or a directed hack/crack that gains access to and some control over a computer.
- Any and all violations of the confidentiality and protected information provisions of this Contract made by Contractor, Contractor's Staff and/or by any other person of whom Contractor becomes aware.

Return/Destruction of Confidential Records

Contractor agrees to store and process information electronically, in a manner that renders it irretrievable by unauthorized computer, remote terminal, or other means. When no longer in use, Contractor shall promptly return confidential information to County's Contract Manager and/or destroy all copies/derivations. A method of confidential information destruction must be approved by County and thereafter must be used by Contractor. Approved methods include shredding, burning, or certified or witnessed destruction. Contractor shall demagnetize magnetic media and return it to the County's Contract Manager.

Certification

Contractor assumes sole responsibility for Contractor's Staff in the maintenance of confidentiality as provided in the entirety of the Contract. Contractor and Contractor on behalf of Contractor's Staff acknowledge that violation of the provisions herein may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County may seek all possible legal redress.

Contractor's Name

Contract Number

Name of Authorized Representative (Print)

Signature

Title of Authorized Representative (Print)

Date

EXHIBIT H
CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM
CERTIFICATION FORM AND APPLICATION FOR EXCEPTION

Contractor's Name _____

Contract Number _____

Address _____

Contract Services _____

This Contract is subject to the County of Los Angeles Contractor Employee Jury Service Program (Jury Service Program), Los Angeles County Code, Chapter 2.203 (see Attachment)). Contractor and its subcontractors must complete this form to either certify compliance with or request an exception from the Jury Service Program requirements. Upon review of the submitted form, the County will determine, in its sole discretion, whether the Contractor is excepted from the Jury Service Program.

Please complete either Part I or Part II, and then sign/date below. If you believe the Jury Service Program does not apply to your business, check the appropriate box in Part I (attach documentation to support your claim); or, complete Part II to certify that your business is in compliance with the Jury Service Program.

Part I: Jury Service Program is Not Applicable to My Business

☐ My business does not meet the definition of "contractor," as defined in the Jury Service Program, as it has not received an aggregate sum of \$50,000 or more in any 12-month period under one (1) or more County contracts or subcontracts (this exception is not available if this Contract exceeds \$50,000). If my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period, I understand that the exception will not apply and that I shall immediately comply with the Jury Service Program.

☐ My business is a small business as defined in the Jury Service Program. It: 1) has ten (10) or fewer employees; 2) has annual gross revenues in the preceding 12-month period which, if added to the annual amount of this Contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined in the Attachment. If the number of employees in my business and my gross annual revenues exceed the above limits, I understand that the exception will not apply and I shall comply with the Jury Service Program.

☐ My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Jury Service Program.

OR

Part II: Certification of Compliance

☐ My business has and adheres to a written policy that provides, on an annual basis, no less than five (5) days of regular pay for actual jury service for full-time employees of the business who are also California residents.

On behalf of Contractor's organization, I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Name of Authorized Representative (Print) _____

Signature _____

Title of Authorized Representative (Print) _____

Date _____

Attachment

Los Angeles County Code
Title 2 Administration
Chapter 2.203.010 through 2.203.090
Contractor Employee Jury Service Program

2.203.010 Findings.

The Board of Supervisors makes the following findings. The County of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the County of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the County of Los Angeles has determined that it is appropriate to require that the businesses with which the County contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002).

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the Board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or
 - 6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or
 - 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or

8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.
- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
 1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the County of Los Angeles or any public entities for which the Board of Supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the Board of Supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

- B. **Collective Bargaining Agreements.** This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. **Small Business.** This chapter shall not be applied to any contractor that meets all of the following:
 - 1. Has ten or fewer employees during the contract period; and,
 - 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 - 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

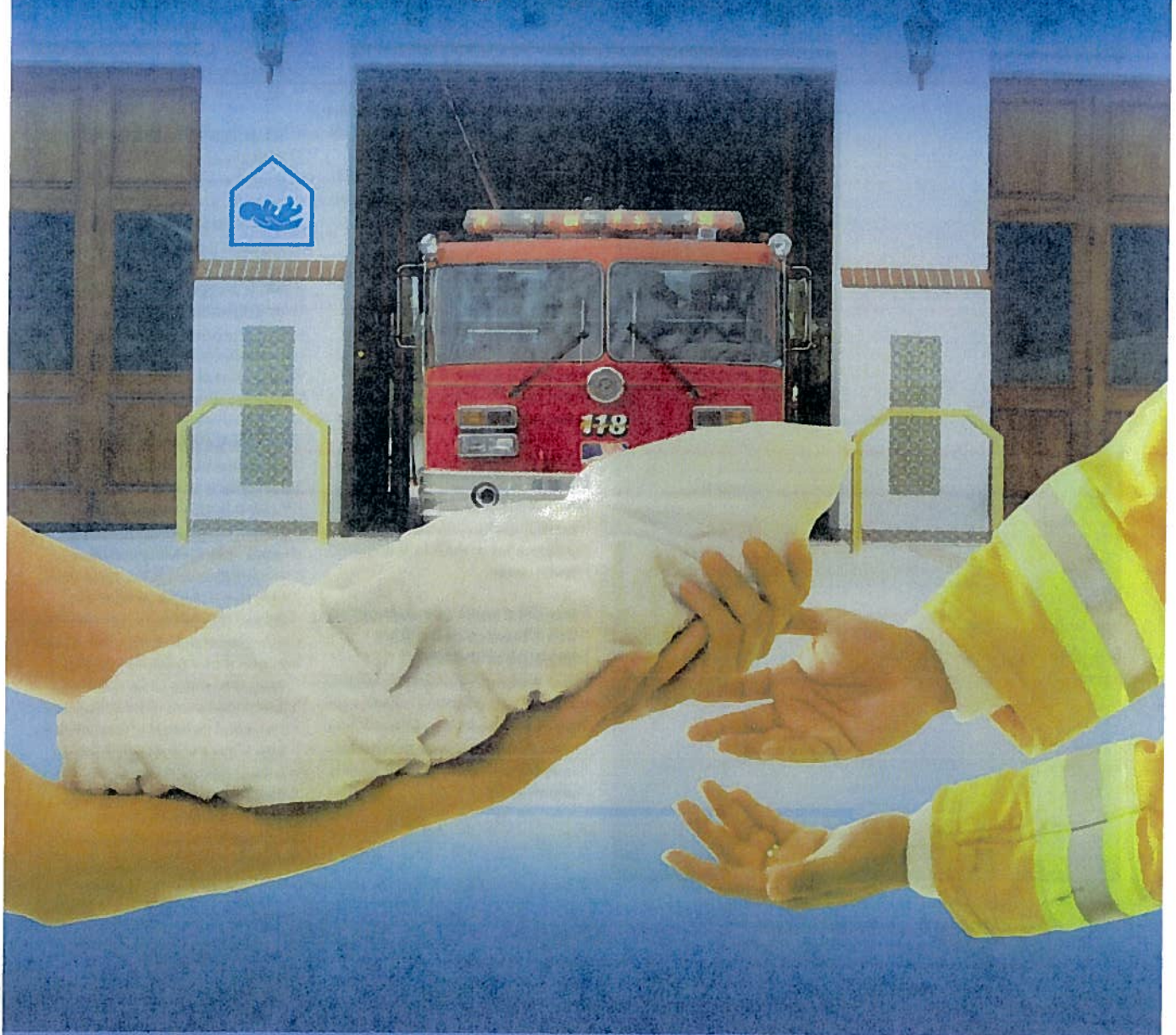
"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002.

EXHIBIT I
SAFELY SURRENDERED BABY LAW FACT SHEET

Safely Surrendered



No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

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EXHIBIT I

SAFELY SURRENDERED BABY LAW FACT SHEET

Safely

Surrendered Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

In Los Angeles County: 1 877 BABY SAFE 1 877 222 9723

www.babysafela.org

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.

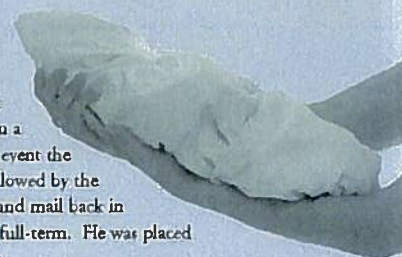


EXHIBIT I SAFELY SURRENDERED BABY LAW FACT SHEET

Ley de Entrega de Bebés Sin Peligro

¿Qué es la Ley de Entrega de Bebés Sin Peligro?

La Ley de Entrega de Bebés Sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmale que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

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www.babysafela.org

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregó, recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambian de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicio para Niños y Familias (Department of Children and Family Service) del Condado de Los Angeles al 1-800-540-0000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California?

La finalidad de la Ley de Entrega de Bebés Sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente ha escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían a quien pedir ayuda. El abandono de un recién nacido es ilegal y poner al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés Sin Peligro impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprana del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.



EXHIBIT I
SAFELY SURRENDERED BABY LAW FACT SHEET

Ley de Entrega de Bebés *Sin Peligro*



Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



EXHIBIT K

CONTRACT ACCOUNTING, ADMINISTRATION AND REPORTING REQUIREMENTS

The purpose of this Exhibit K is to establish required accounting, financial reporting, and internal control standards for entities (Contractor) which contract with the Los Angeles County.

The accounting, financial reporting and internal control standards described in this Exhibit K are minimums. These standards are not intended to be all inclusive or replace acceptable existing procedures or preclude the use of more sophisticated methods. Instead, this Exhibit K represents the minimum required procedures and controls that must be incorporated into a Contractor's accounting and financial reporting systems. The internal control standards described are those that apply to Contractor organizations with adequate staffing. Organizations with a smaller staff must attempt to comply with the intent of the standards and implement internal control systems appropriate to the size of their staff/organization. Contractor's subcontractors must also follow these standards unless otherwise stated in the Contract.

A. ACCOUNTING AND FINANCIAL REPORTING

1.0 Basis of Accounting

Contractor may elect to use either the cash basis or accrual basis method of accounting for recording financial transactions. Monthly invoices must be prepared on the same basis that is used for recording financial transactions.

1.1 The County recommends the use of the accrual basis for recording financial transactions.

Accrual Basis

Under the accrual basis, revenues are recorded in the accounting period in which they are earned (rather than when cash is received). Expenditures are recorded in the accounting period in which they are incurred (rather than when cash is disbursed).

Accruals

Accruals shall be recorded observing the following:

- Only accruals where cash will be disbursed within six (6) months of the accrual date should be recorded.

- Recorded accruals must be reversed in the subsequent accounting period.

1.2 If Contractor elects to use the cash basis for recording financial transactions during the Fiscal Year:

- Necessary adjustments must be made to record the accruals at the beginning and the end of the Fiscal Year.
- All computations, supporting records, and explanatory notes used in converting from cash basis to the accrual basis must be retained.

1.3 Prepaid Expenses

Prepaid expenses (e.g., insurance, service agreements, lease agreements, etc.) should only be expensed during a given Contract Fiscal Year to the extent goods and Services are received during that Fiscal Year.

ACCOUNTING SYSTEM

- 2.0 Contractor shall maintain a double entry accounting system (utilizing debits and credits) with a General Journal, a Cash Receipts Journal, a General Ledger, and a Cash Disbursements Journal. The County recommends that a Payroll Register also be maintained. Postings to the General Ledger and Journals should be made on a monthly basis.

2.1 General Journal

A General Journal shall be maintained for recording adjusting entries, reversing entries, closing entries, and other financial transactions not normally recorded in the Cash Receipts Journal or Cash Disbursements Journal. Entries in the General Journal must be adequately documented, and entered in chronological order with sufficient explanatory notations.

Example:	DR	CR
Rent Expense	100	
Rent Payable		100

To record accrued rent to March 31, 20XX

2.2 Cash Receipts Journal

A Cash Receipts Journal shall be maintained for recording all cash receipts (e.g., County warrants, contributions, interest income, etc.). The Cash Receipts Journal shall contain (minimum requirements) the following column headings:

- date
- receipt number
- cash debit columns
- income credit columns for the following accounts:
 - County payments (one per funding source)
 - Contributions
 - Other Income (Grants, sales of supplies/services, rental income, miscellaneous revenue, fees, etc.)
- Description (Entries in the description column must specify the source of cash receipts.)

2.3 Cash Disbursements Journal

A Cash Disbursements Journal shall be maintained for recording all cash disbursements (e.g., rent, utilities, maintenance, etc.)

The Cash Disbursements Journal shall contain (minimum requirements) the following column headings:

- date
- check number
- cash (credit) column
- expense account name
- description

Note (1) Separate expense columns are recommended for salary expense and other recurring expense classifications for each program.

Note (2) Entries in the description column must specify the nature of the expense and the corresponding expense classification if not included in the column heading.

Note (3) Checks should not be written to employees (other than payroll, mileage, travel, and petty cash custodian checks.)

A Check Register may be substituted for the Cash Disbursements Journal, but this is not recommended. If used, the Check Register must

contain the same expense classifications and description information required when a Cash Disbursements Journal is used.

Disbursements without supporting documentation will be disallowed on audit. Cancelled checks and credit card statements (VISA, AMEX, department store, etc.) will not constitute acceptable support. (See Section A.3.2 and B.2.4) for additional guidance.

2.4 General Ledger

A General Ledger shall be maintained with accounts for all assets, liabilities, fund balances, expenditures, and revenues. Separate accounts must be maintained for each County program's expenses and revenues.

2.5 Chart of Accounts

A Chart of Accounts shall be maintained:

- The County recommends that Contractor use the expense account titles on the monthly invoice submitted to the County.
- If the Contractor uses account titles which differ from the account titles on the monthly invoice, each account title must clearly identify the nature of the transaction(s) posted to the account.
- Contractor must consistently post transactions that are of a similar nature to the same account. For example, all expenses for travel shall be posted to the account titled "travel" or "travel expense" and not intermixed with other expense accounts.

2.6 Payroll Register

The County recommends that a Payroll Register be maintained for recording all payroll transactions. The Register should contain the following:

- Name
- Position
- Social Security Number
- Salary (hourly wage)
- Payment Record including:
 - accrual period
 - gross pay
 - itemized payroll deductions
 - net pay amount

- check number

If a Payroll Register is not used, the information in (2.6) must be recorded in the cash disbursements journal.

Contractor will ensure compliance with all applicable federal and State requirements for withholding payroll taxes (FIT, FICA, FUTA, SIT, SIU, etc.), reporting, filing (941, DE-7, W-2, W-4 and 1099s), and all applicable tax deposits.

Contractor will ensure compliance with Internal Revenue Service guidelines in properly classifying employees and independent contractors.

2.7 Contractor Invoices

Contractor shall present an invoice to the County each calendar month to report the financial activity of the month. In addition, if advanced funding is involved, an invoice shall be presented at the beginning of the Fiscal Year. Invoices shall be prepared in the manner prescribed by the County's contracting department.

3.0 Records

Adequate care shall be exercised to safeguard the accounting records and supporting documentation. Any destruction or theft of the Contractor's accounting records or supporting documentation shall be immediately reported to the County pursuant to the requirements outlined in Exhibit M (Fixed and Non-Fixed Assets and Supplies Purchase, Inventory and Disposal Requirements), Section II, Part C.

3.1 Retention

All accounting records (e.g., journals, ledgers, etc.), financial records and supporting documentation (e.g., invoices, receipts, checks, etc.) must be retained for a minimum of five (5) years after the termination of the Contract pursuant to Paragraph 8.38 (Record Retention and Inspection/Audit Settlement) of the Contract.

3.2 Supporting Documentation

All revenues and expenditures shall be supported by original vouchers, invoices, receipts, or other documentation and shall be maintained in the manner described herein.

Invoices, receipts and canceled checks will be required to support an outlay of Contract Funds. Unsupported disbursements will be disallowed on audit. Contractor will be required to repay County for all disallowed costs. **Photocopied invoices or receipts, any internally generated documents (i.e., vouchers, request for check forms, requisitions, canceled checks, etc.), and account statements do not constitute supporting documentation for purchases.**

Supporting documentation is required for various types of expenditures as follows:

Payroll – time and attendance records signed by an employee and approved in writing by a supervisor; time distribution records by program accounting for total work time on a daily basis for all employees; records showing actual expenditures for Social Security and unemployment insurance; State and federal quarterly tax returns; federal W-2 forms; and federal W-4 forms.

Consultant Services – contracts, time and attendance records, billing rates, travel vouchers detailing purpose, time and location of travel, purchase orders and invoices for supplies and invoices or other supporting documentation detailing the nature of services provided.

Travel – prior, written approval from County for travel expenses related to providing Services under the Contract; travel policies of the Contractor (written); travel expense vouchers showing location, date and time of travel, purpose of trip, and rates claimed; vehicle mileage logs showing dates, destination and headquarters, purpose of trip, and mileage. Travel related to conferences should include conference literature detailing purpose of the conference. Reimbursement rates for mileage shall not exceed applicable County guidelines.

Reimbursement for actual receipts or per diem rates for meal expenses shall not exceed the maximum County's reimbursement rate for employees.

Receipts shall be required for lodging for approved out-of-town travel dates. Maximum reimbursable lodging amount is the maximum County's reimbursement rate for employees for a single occupancy hotel accommodation.

Operating Expenses (e.g., utilities, office supplies, equipment rentals, etc.) – bona fide contracts or lease agreements, if any, and invoices and receipts detailing the cost and items purchased will constitute the primary supporting documentation. For internal control purposes, the Contractor

shall maintain vouchers, purchase orders, requisitions, stock received reports, bills of lading, etc.

Outside Meals - receipts and/or invoices for all meals, a record of the nature and purpose of each meal, and identification of the Client(s).

3.3 Payments to Affiliated Organizations or Persons

Contractor shall not make payments to affiliated organizations or persons for Program expenses (e.g., salaries, services, rent, etc.) that exceed the lower of actual cost or the reasonable cost for such expenses. A reasonable cost shall be the price that would be paid by one party to another when the parties are dealing at arm's length (fair market price).

Organizations or persons (related parties) related to the Contractor or its members by blood, marriage, or through legal organization (corporation, partnership, association, etc.) will be considered affiliated for purposes of this Contract. County shall be solely responsible for the determination of affiliation unless otherwise allowed and approved by the State or federal agencies.

Payments to affiliated organizations or persons will be disallowed on audit to the extent the payments exceed the lower of actual costs or the reasonable costs for such items.

3.4 Filing

All relevant supporting documentation for reported Program expenditures and revenues shall be filed in a systematic and consistent manner. It is recommended that supporting documents be filed as follows:

- checks – numerically
- invoices – vendor name and date
- vouchers – numerically
- receipts – chronologically
- timecards – pay period and alphabetically

3.5 Referencing

Accounting transactions posted to the Contractor's books shall be appropriately cross-referenced to supporting documentation. It is recommended that expenditure transactions on the Contractor's books be cross-referenced to the supporting documentation as follows:

- invoices – vender name and date
- checks – number
- vouchers –number
- revenue – receipt number

Supporting documentation for non-payroll expenditures (i.e., operating expenditures) should be cross-referenced to the corresponding check issued for payment. If multiple invoices are paid with one (1) check, all related invoices should be bound together and cross-referenced to the check issued for payment.

4.0 Donations and Other Sources of Revenue

Restricted donations and other sources of revenue earmarked specifically for the Contract must be utilized on allowable Contract expenditures.

5.0 Audits

Contractor will make available for inspection and audit to County representatives, upon request, during County's hours of operation, during the duration of the Contract and for a period of five (5) years thereafter, all of its books and records relating to the operation of each project or business activity which is funded in whole or part with governmental monies, whether or not such monies are received through the County. All such books and records shall be maintained at a location within Los Angeles County.

B. INTERNAL CONTROLS

Internal controls safeguard the Contractor's assets from misappropriations, misstatements or misuse. Contractor shall prepare necessary written procedures establishing internal controls for its staff. The Contractor shall instruct all of its staff in these procedures and continuously monitor operations to ensure compliance with them.

1.0 Cash Receipts

1.1. Separate Fund or Cost Center

All Contract revenues shall be maintained in a bank account. If revenues from other sources are maintained in the same bank account, revenues for each source must be clearly identifiable on the accounting records through the use of cost centers or separate accounts.

1.2 Deposits

All checks shall be restrictively endorsed upon receipt.

Cash received shall be recorded on pre-numbered receipts. Checks shall be recorded on a check remittance log at the time of receipt.

Cash receipts (i.e., cash and checks) totaling \$500 or more shall be deposited within one (1) day of receipt. Collections of less than \$500 may be held and secured and deposited weekly or when the total reaches \$500, whichever occurs first.

Duplicate deposit slips shall be retained and filed chronologically, and shall contain sufficient reference information for comparison to the Cash Receipts Journal (and individual receipts, if applicable).

1.3 Separation of Duties

An employee who does not handle cash shall record all cash receipts.

1.4 Bank Reconciliations

Bank statements should be received and reconciled by someone with no cash handling, check writing, or bookkeeping functions (bookkeeper).

Monthly bank reconciliations should be prepared within thirty (30) days of the bank statement date and reviewed by management for appropriateness and accuracy. The bank reconciliations should be signed by both the preparer and the reviewer. Reconciling items should be resolved timely.

2.0 Disbursements

2.1 General

All disbursements for expenditures, other than petty cash, shall be made by check.

Blank check stock shall be secured and accounted for to preclude unauthorized use.

Checks shall not be payable to "cash" or signed in advance. Checks written to employees for reimbursement of out-of-pocket costs must be supported by receipts and invoices.

A second signature shall be required on all checks, unless otherwise authorized by County in writing.

If the bookkeeper signs checks, a second signature shall be required on the checks.

Voided checks shall be marked void with the signature block cut out. The voided checks must be filed with the cancelled checks.

Unclaimed or undelivered checks shall be cancelled periodically.

All supporting documentation shall be referenced to check numbers and marked "paid" or otherwise canceled to prevent reuse or duplicate payments.

Disbursements without adequate supporting documentation will be disallowed on audit.

2.2. Approvals and Separation of Duties

Employees responsible for approving cash disbursements and/or signing of checks shall examine all supporting documentation at the time the checks are approved and signed.

All disbursements, excluding petty cash purchases, shall be approved by persons independent of check preparation and bookkeeping activities.

2.3 Petty Cash

A petty cash fund up to \$500 may be maintained for payment of small incidental expenses incurred by the Contractor (e.g., postage due, small purchases of office supply items, etc.). The Contractor must obtain prior written approval from the County to establish a petty cash fund greater than \$500.

Petty cash disbursements must be supported by invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. In the event that outside (external) supporting documentation is not obtainable for minor disbursements (under \$10), such as parking meters, etc., then documentation shall be considered as proper supporting documentation on a basis of reasonableness. Petty cash disbursements should not be used as a substitute for normal purchasing and disbursement practices (i.e., payment by check).

The petty cash fund shall be maintained on an imprest basis. A check should be drawn to set up the fund and to make periodic reimbursements. Receipts, vouchers, etc., supporting each fund replenishment must be bound together, filed chronologically and cross referenced to the reimbursement check.

2.4 Credit Cards

The use of credit cards, both Contractor issued credit cards and an employee's personal credit cards used on behalf of the Contractor, should be limited to purchases where normal purchasing and disbursement practices are not suitable.

Credit cards issued in the Contractor's name must be adequately protected and usage monitored to ensure that only authorized and necessary items are purchased.

Credit card purchases should be pre-approved by Contractor management to ensure that they are reasonable and necessary.

All credit card disbursements must be supported by original invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. Credit card statements are not sufficient support for credit card purchases.

3.0 Timekeeping

3.1 Timecards

Timecards or time reports must be prepared for each pay period. Timecards or time reports must indicate total hours worked each day by program and total hours charged to each of the Contractor's programs. Time estimates do not qualify as support for payroll expenditures and will be disallowed on audit.

All timecards and time reports must be signed in ink by the employee and the employee's supervisor to certify the accuracy of the reported time.

3.2 Personnel and Payroll Records

Adequate security must be maintained over personnel and payroll records with access restricted to authorized individuals.

Personnel and payroll records should include (but not be limited to) the following:

- Employee's authorized salary rate
- Employee information sheet
- Resume and/or application
- Proof of qualifications for the position, if required (e.g., notarized copy or original diploma, license, etc.)
- Performance evaluations
- Criminal record clearance
- Citizenship status
- Benefit balances (e.g., sick time, vacation, etc.)

3.3 Benefit Balances

Employee benefit balances (e.g., sick time, vacation, personal time, etc.) should be maintained on at least a monthly basis. Benefit balances should be increased when benefit hours are earned and decreased as hours are used.

3.4 Limitations on Positions and Salaries

The Contractor shall pay no salaries higher than those authorized in the Contract, or the Exhibits thereto, including this Exhibit K, except as proscribed by State or federal law.

When the Contract is for **Workforce Investment Act Program Services**, Contractor shall adhere to Public Law 109-234, as provided by the Employment Development Department (EDD) through its issuance of a directive. Contractor shall obtain the most current version of EDD's directive on salary and bonus limitations on-line using the following website address:

http://www.edd.ca.gov/Jobs_and_Training/Active_Directives.htm.

For purposes of establishing a reasonable level of compensation for Contractor's employees, County may refer to the applicable Child Welfare League of America (CWLA) Salary Study.

If an employee serves in the same or dual capacities under more than one contract or program, the employee may not charge more than 100% of their time to the contracts or programs taken as a whole.

Salaried employees who work less than 40 hours per week shall be paid a salary that corresponds with the employee's work schedule.

The salary expense of salaried employees working on more than one (1) contract or program shall be allocated to each program based on the ratio

of the number of hours worked on each program during the pay period to the total number hours worked during the pay period.

The Contractor will make no retroactive salary adjustment for any employee without prior written approval from the County.

3.5 Separation of Duties

Payroll checks should be distributed by persons not involved in timekeeping, preparing of payroll, or reconciling bank accounts.

All employee hires and terminations, or pay rate changes, shall be approved by authorized persons independent of payroll functions.

All employee hires and terminations, or pay rate changes shall be approved in writing by authorized persons independent of payroll functions.

- 4.0 Bonding – All officers, employees, and agents who handle cash or have access to the Contractor's funds shall be bonded pursuant to Paragraph 8.25 (Insurance Coverage) of the Contract.

C. COST PRINCIPLES

1.0 Policy

It is the intent of the County to provide funds to Contractor for the purpose of providing Services required by the Contract. Contractor shall use these funds on actual expenses in an economical and efficient manner and ensure they are reasonable, proper and necessary costs of providing Services and are allowable in accordance with the applicable Office of Management and Budget (OMB) Circulars and Code of Federal Regulations (CFRs).

- 1.1. Use of Federal grant funds is governed by OMB Circulars, which provide specific requirements for these funds. There are six (6) OMB Circulars which apply to grant funding; as outlined below, the Contractor shall adhere to three (3) of those OMB Circulars, depending on Contractor's organization:

- **Non-Profit Organizations shall follow:**

- Cost Principles: OMB Circular A-122 (relocated to Title 2 CFR Part 230)
- Administrative Requirements: OMB Circular A-110 (relocated to Title 2 CFR Part 215) or Title 29 CFR Part 95
- Audit Requirements: OMB Circular A-133
- **Non-Profit Organizations which are listed in 2 CFR Part 230, Appendix C, shall follow:**
 - Cost Principles: 48 CFR Part 31
 - Administrative Requirements: OMB Circular A-110 (relocated to Title 2 CFR Part 215) or Title 29 CFR Part 95
 - Audit Requirements: OMB Circular A-133
- **States, Local Governments and Indian Tribes shall follow:**
 - Cost Principles: OMB Circular A-87 (relocated to Title 2 CFR Part 225)
 - Administrative Requirements: OMB Circular A-102 or Title 29 CFR Part 97
 - Audit Requirements: OMB Circular A-133
- **Educational Institutions (even if part of a State or Local Government) shall follow:**
 - Cost Principles: OMB Circular A-21 (relocated to Title 2 CFR Part 220)
 - Administrative Requirements: OMB Circular A-110 (relocated to Title 2 CFR Part 215) or 29 CFR Part 95
 - Audit Requirements: OMB Circular A-133
- **Hospitals (both proprietary and non-profit) shall follow:**
 - Cost Principles: 45 CFR Part 74, Appendix E
 - Administrative Requirements: OMB Circular A-110 (relocated to Title 2 CFR Part 215) or Title 29 CFR Part 95

- Audit Requirements: OMB Circular A-133

Contractor is responsible for obtaining the most recent version of the above referenced OMB Circulars and CFR provisions, which are available on-line at <http://www.whitehouse.gov/omb/circulars/index.html>.

1.2. Limitations on Expenditures of Contract Funds

Contractor shall comply with the Contract and the applicable OMB Circulars and CFRs. The Circulars and CFRs define direct and indirect costs, discusses allowable cost allocation procedures and the development of Indirect Cost Rates, and specifically addresses the allowability of a variety of different costs.

If Contractor is unsure of the allowability of any particular type of cost or individual cost, the Contractor should request advance written approval from the County prior to incurring the cost. Any conflict or inconsistency between or among the requirements outlined within the Contract, Exhibit A (Statement of Work), this Exhibit K, OMB Circulars or CFRs shall be resolved by giving precedence as follows:

- OMB Circulars and CFRs
- Contract
- Exhibit A (Statement of Work)
- Exhibit K (Contract Accounting, Administration and Reporting Requirements)

1.3. Expenses Incurred Outside the Contract Period

Expenses charged against Contract Funds may not be incurred prior to the effective date of the Contract, or subsequent to the Contract expiration or termination date. Expenses charged against Contract Funds during any Fiscal Year period may not be incurred outside of that Fiscal Year.

1.4. Budget Limitation

Expenses may not exceed the maximum limits shown on Exhibit B (Budget).

1.5. Unspent Funds

The County will determine the disposition of unspent Contract Funds upon expiration or termination of the Contract and at the end of each Fiscal Year period.

1.6. Necessary, Proper and Reasonable

Only those expenditures that are necessary, proper and reasonable to carry out the purposes and activities of the Program are allowable.

2.0 Allocation of Cost Pools

When Contractor provides services in addition to the Services required under this Contract, the Contractor shall allocate expenditures that benefit programs or funding sources on an equitable basis.

In accordance with the applicable OMB Circular and CFR, Contractor shall define its allocable costs as either direct or indirect costs (as defined in Sub-paragraphs 2.1 and 2.2 below) and allocate each cost using the basis most appropriate and feasible.

The Contractor shall maintain documentation related to the allocation of expenses (e.g., timecards, time summaries, square footage measurements, number of employees, etc.).

Under no circumstances shall allocated costs be charged to an extent greater than 100% of actual costs or the same cost be charged both directly and indirectly.

2.1 Direct Costs

Direct costs are those costs that can be identified specifically with a particular final cost objective (i.e., a particular program, service, or other direct activity of Contractor's organization). Examples of direct costs include salaries and benefits of employees working on the Program, supplies and other items purchased specifically for the Program, costs related to space used by employees working on the Program, etc.

For all employees, other than those employed in general or administrative positions, the hours spent on each program (activity) should be recorded on employees' timecards and the payroll expense should be treated as direct charges and distributed on the basis of recorded hours spent on each program.

Joint costs (i.e., costs that benefit more than one (1) program or activity) which can be distributed in reasonable proportion to the benefits received may also be direct costs.

Examples of bases for allocating joint costs as direct costs:

- Number of direct hours spent on each program
- Number of employees in each program
- Square footage occupied by each program
- Other equitable methods of allocation

2.2 Indirect Costs

Indirect costs are those costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Examples of indirect costs include salaries, employee benefits, supplies, and other costs related to general administration of the Contractor's organization, and the salaries and expenses of executive officers, personnel administration, and accounting.

Examples of bases for allocating indirect costs:

- Total direct salaries and wages
- Total direct costs (excluding capital expenditures and other distorting items such as subcontractor payments)

2.3 Acceptable Indirect Cost Allocation Methods

OMB Circulars and CFRs describe the following allowable methods for allocating indirect costs:

- Simplified allocation method
- Direct allocation method
- Multiple allocation base method
- Negotiated indirect cost rate

Simplified Allocation Method

This method can be used when Contractor's major functions benefit from its indirect costs to approximately the same degree. Using this method, all allocable costs are considered indirect costs and an indirect cost rate is determined by dividing total allowable indirect costs by an equitable distribution base.

Example

Agency-wide indirect costs	\$250,000
Less: Capital expenditures	<u>10,000</u>
Allocable indirect costs	240,000
Total agency-wide indirect salaries	\$1,000,000
<hr/>	
Indirect cost rate (\$240,000/\$1,000,000)	24%
Program direct salaries	\$100,000
Program indirect costs (24% x \$100,000)	<u>\$24,000</u>

Direct Allocation Method

This method can also be used when Contractor's major functions benefit from its indirect costs to approximately the same degree. Using this method, all costs except general administration and general expenses are treated as direct costs. Joint costs for rental, facilities maintenance, telephone, and other similar expenses are prorated individually to each direct activity on a basis appropriate for that type of cost.

The remaining costs, which consist exclusively of general administration and general expenses are then allocated using the simplified allocation method previously discussed.

Multiple Base Allocation Method

This method can be used when Contractor's major functions benefit from its indirect costs in varying degrees. Using this method, indirect costs are grouped to permit allocation of each grouping on the basis of the benefits provided to the major functions. Each grouping is then allocated individually using the basis most appropriate for the grouping being allocated.

Negotiated Indirect Cost Rates

Contractor has the option of negotiating an indirect cost rate or rates for use on all its federal programs. The Contractor must submit a Cost Allocation Plan to the federal agency providing the majority of funds to the Contractor's organization. The approved indirect cost rate is then applied to the total approved direct cost base.

If Contractor has a federally approved indirect cost rate, Contractor shall submit a copy of the approval letter to County upon request.

D. UNALLOWABLE COSTS

OMB Circulars and CFRs address the allowability of a variety of different costs. For all costs, there are certain restrictions and limitations; however, the following costs are not allowable under any circumstances:

- Bad debts
- Contingency provisions
- Contributions and donations
- Fines and penalties
- Fundraising activities
- Interest expense (unless expressly allowed by federal guidelines)
- Losses on other awards

E. REPORTING FRAUD, MISCONDUCT OR NON-COMPLIANCE

1.0 Contractor shall report suspected fraud (including welfare fraud), waste, or misuse of public monies, and misconduct of County personnel to the Los Angeles County Fraud Hotline. Contractor shall also report suspected fraud committed by its employees, volunteers, and any subcontractors when that fraud affects its Contract with the County. Reportable conditions of fraud include, but are not limited to:

- Requests for bribes/kickbacks/gratuities by County personnel.
- Favoritism/nepotism in the awarding of County contracts, or selection of vendors.
- Theft or misuse of any funds, resources or equipment.

2.0 Failure to report the types of fraud/misconduct discussed above may be grounds for termination of the Contract as solely determined by County.

3.0 Reports can be made anonymously to the Los Angeles County Department of Auditor-Controller, Office of County Investigations as follows:

Website: www.lacountyfraud.org
E-Mail Address: Hotline@auditor.lacounty.gov
Fraud Hotline: (800) 544-6861
Fax: (213) 633-0991
Mail: Office of County Investigations
500 W. Temple St., Room 515
Los Angeles, CA 90012

4.0 User Complaint Report

4.1 County's staff shall complete the User Complaint Report (UCR) to report Contractor's non-compliance with the

requirements of the Contract. Areas of Contractor's non-compliance includes, but is not limited to, the following:

- Contractor's Program Director or other staff not responding to messages/requests from County staff.
- Contractor's Project Director or other staff does not attend trainings/meetings required by County.
- Contractor staff changes without prior notification to the County.
- Illegal or inappropriate behavior by Contractor's staff.
- Contractor not submitting reports/documents or maintaining records as required.
- Contractor not complying with the quality assurance requirements as specified in the Contract.

4.2 The County's Compliance Manager shall maintain the UCR, and it will be used to evaluate Contractor's performance of the requirements of the Contract in addition to being used as the basis for placing Contractor on probation, suspending payment, suspending the Contract, terminating the Contract or any other remedies that are available in the Contract. The UCR may also be used during the solicitation process to evaluate Contractor's past performance on this Contract.

**EXHIBIT L
JOINT FUNDING REVENUE DISCLOSURE**

Contractor's Name _____

Contract Number _____

Name of Preparer (Print) _____

Date Prepared _____

List all revenue coming to Contractor (including foundation grants and donations). Use additional pages as necessary.

	Revenue Source (Agency or Organization Name, Contact Name and Phone Number)	Funding Amount	Funding Period	
			Start Date	End Date
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
TOTAL				

EXHIBIT M
FIXED AND NON-FIXED ASSETS AND SUPPLIES
PURCHASE, INVENTORY AND DISPOSAL REQUIREMENTS

I. DEFINITIONS OF FIXED AND NON-FIXED ASSETS AND SUPPLIES

A. A Fixed Asset is an item which meets all of the following attributes:

- 1.0 Includes, but is not limited to, property, plant, equipment, land, buildings, additions, attachments, improvements, betterments, machinery, vehicles, furniture, tools, intangibles, mineral resources, etc. which are not consumed/sold during the normal course of Contractor's business under this Contract and are used to carry out Contractor's operations.
- 2.0 Has a unit acquisition cost that is \$5,000 or more (e.g., four (4) identical assets, which cost \$3,000 each, totaling \$12,000 would not meet this requirement). Acquisition cost is the net invoice unit price of an item, including shipping costs and sales taxes, the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.
- 3.0 Has a normal useful life of at least one (1) year.
- 4.0 Is used to conduct business under this Contract.
- 5.0 Is either purchased with Contract Funds and/or was acquired by Contractor under a Predecessor Agreement for the same/similar purpose as this Contract. For purposes of this Contract, Predecessor Agreement shall mean a contract between County and Contractor that was executed prior to this Contract for the same/similar Program Services as this Contract.

B. A Non-Fixed Asset is an item which meets all of the following attributes:

- 1.0 Does not meet the requirements in Subsection A, 1.0 – 4.0, outlined above for Fixed Assets.
- 2.0 Has a unit acquisition cost that is less than \$5,000 but is at least \$500, or has a unit acquisition cost that is less than \$5,000 but is at least \$300 if it was purchased under a Predecessor Agreement for the same/similar purpose as this Contract.

- 3.0 Is either purchased with Contract Funds and/or was acquired by Contractor under a Predecessor Agreement for the same/similar purpose as this Contract.

C. Supplies are items which meet all of the following attributes:

- 1.0 Are goods, materials or other items which are consumed during the normal course of business and may include, but are not limited to, paper, pencils, printer cartridges, file folders, etc. (i.e., Supplies are items which are used in such a way that once used, they cannot be re-used or recovered afterward).
- 2.0 Have a unit acquisition cost that is less than \$500, or less than \$300 if purchased under a Predecessor Agreement for the same/similar purpose as this Contract.
- 3.0 Are necessary for Contractor to effectively and efficiently carry out the objectives, tasks and activities of the Program and provide Services to Clients.
- 4.0 Are either purchased with Contract Funds and/or were acquired by Contractor under a Predecessor Agreement for the same/similar purpose as this Contract.

D. Types of Fixed and Non-Fixed Assets

- 1.0 Additions and Attachments are products that typically involve physical extensions of existing units that are necessary to make these units usable for the purposes for which they are acquired, but do not involve renovations.
 - 1.1 An Addition or an Attachment is considered a Fixed Asset when its cost, combined with the cost of the unit it is attached to, along with its other characteristics, meet the definition of a Fixed Asset as set forth herein.
 - 1.2 Examples of Additions or Attachments include for example new rooms, new roof, or new heating, ventilation and air conditioning (HVAC) system added to an existing building, etc.
- 2.0 Improvements and Betterments are products that typically do not increase the physical size of the asset.

- 2.1 Improvements and Betterments enhance the condition of a unit (e.g., extend life, increase service capacity, and lower operating costs).
- 2.2 An Improvement or a Betterment is considered a Fixed Asset when the final cost of the unit being improved or bettered along with its other characteristics, meet the definition of a Fixed Asset as set forth herein.
- 2.3 Examples of Fixed Assets that might be improved and bettered include roads, bridges, curbs and gutters, tunnels, parking lots, streets and sidewalks, drainage and lighting systems.
- 3.0 Intangible Property can be either a Fixed or Non-Fixed Asset which lacks physical substance but gives valuable rights to the owner.
 - 3.1 The acquisition cost of the Intangible Property includes all amounts incurred to acquire and to ready the Asset for its intended use. Typical intangible property costs include the purchase price, legal fees, and other costs incurred to obtain title to the Asset.
 - 3.2 Examples of Intangible Property include, but are not limited to, patents, copyrights, leases, and computer software.
- 4.0 Hardware, which can be either a Fixed or Non-Fixed Asset, consists of tangible equipment including, but not limited to, computers, printers, terminals, etc.

II. GENERAL REQUIREMENTS FOR FIXED AND NON-FIXED ASSETS AND SUPPLIES

- A. The following requirements are applicable to Fixed and Non-Fixed Assets (collectively "Assets") and Supplies. In some areas, the requirements are only applicable to Fixed and Non-Fixed Assets; however, Contractor shall exercise due diligence for the use and maintenance of Supplies when specific requirements are not addressed.
- B. Management of Assets and Supplies
 - 1.0 Contractor shall exercise due care in its use, maintenance, protection and preservation of Assets and Supplies to prevent misuse or theft.

- 2.0 Contractor shall not use Assets or Supplies for personal gain or to usurp the competitive advantage of a privately-owned business entity.
- 3.0 Contractor shall use Assets and Supplies for the purpose for which they are intended under the Contract. When no longer needed for that use, Contractor shall use them as prescribed in Section X (Disposal Requirements for Fixed and Non-Fixed Assets and Supplies), herein.
- 4.0 Contractor may share use of Assets or allow use by other programs upon written approval of County. As a condition of approval, County may require payment under this Contract for that use.

C. Loss, Destruction or Theft of Assets

- 1.0 Contractor shall promptly investigate, fully document, and report the loss, destruction or theft of Assets. Contractor shall report such loss, destruction or theft as follows:
 - 1.1 Contractor shall notify the local law enforcement agency with jurisdiction over the location of the crime by telephone (and confirmed in writing by filing a police report) within twenty-four (24) hours of occurrence or discovery of such incident(s).
 - 1.2 Contractor shall notify County's Contract Manager by telephone (and confirmed in writing) or by e-mail within five (5) business days of occurrence or discovery of such crime. Contractor shall prepare an Incident Report which shall be provided to County.
 - 1.3 Contractor's Incident Report of such loss shall contain at a minimum, the following elements:
 - 1.3.1 Identification of the Asset(s);
 - 1.3.2 Recorded value(s) of each Asset;
 - 1.3.3 Facts relating to the crime; and
 - 1.3.4 Where appropriate, a copy of the police report.
 - 1.4 Contractor shall retain the Incident Report pursuant to Paragraph 8.38 (Record Retention and Inspection/Audit Settlement of the Contract).

- 2.0 Contractor agrees to indemnify County for any loss resulting from the use of any Assets.
- 3.0 Contractor shall assume responsibility for the replacement or repair of Assets during the period of the Program, until Contractor has complied with all written instructions from County regarding the final disposition of the Assets (as detailed in Section X (Disposal Requirements for Fixed and Non-Fixed Assets and Supplies), herein).

III. DEPRECIATION AND CAPITALIZATION POLICY

- A. The following requirements are applicable only to Fixed and Non-Fixed Assets.
- B. Fixed and Non-Fixed Assets purchased with the Federal portion of Contract Funds and/or with Contractor's required matching contributions may not be depreciated or capitalized.
- C. Fixed and Non-Fixed Assets purchased with the non-Federal portion of Contract Funds, if any, may be capitalized and/or depreciated over the estimated useful lives of these Assets pursuant to Contractor's acquisition policies.

IV. TITLE TO FIXED AND NON-FIXED ASSETS

- A. The following requirements are applicable only to Fixed and Non-Fixed Assets.
- B. Unless otherwise required by Federal or State laws or regulations, or as agreed upon in writing by the parties, Fixed and Non-Fixed Assets remain the property of County until such time as County approves the final disposition of the Fixed and Non-Fixed Assets (i.e., County retains title to all Fixed and Non-Fixed Assets used in the performance of this Contract).
- C. Unless otherwise required by Federal or State laws or regulations or as agreed upon in writing by the parties, Fixed and Non-Fixed Assets purchased under a Predecessor Agreement(s) remain the property of County until such time as County approves the final disposition of the Fixed and Non-Fixed Assets (i.e., County retains title to all Fixed and Non-Fixed Assets purchased under a Predecessor Agreement).

V. VEHICLES

- A. The following requirements are applicable only to Fixed and Non-Fixed Assets.
- B. Title to Vehicles (Fixed and Non-Fixed)
 - 1.0 County retains title to vehicles which are purchased with Contract Funds.
 - 2.0 County retains title to vehicles purchased with funds from Predecessor Agreements.
- C. Vehicles shall be registered in the name of Contractor only and shall include both vehicles which are purchased with Contract Funds, and those purchased under a Predecessor Agreement(s) and are currently in the possession of Contractor.
- D. Contractor shall provide current and adequate insurance covering all vehicle drivers pursuant to Paragraph 8.25 (Insurance Coverage) of the Contract; and each vehicle driver shall have a current, valid California driver's license.

VI. GOVERNING REGULATIONS AND POLICIES

- A. Throughout this Exhibit M, references will be made to applicable Office of Management and Budget (OMB) Circulars or applicable Code of Federal Regulations (CFRs), which shall mean that Contractor shall follow the OMB Circulars and CFRs that apply to it based on the type of Program being funded through the Contract and the type of entity that best describes Contractor's organization (e.g., non-profit, local government, educational institution, etc.). The applicable OMB Circulars and CFRs are defined in Exhibit K (Contract Accounting, Administration and Reporting Requirements).
 - 1.0 Contractor shall adhere to both administrative requirements and cost principles as detailed in the applicable OMB Circulars and CFRs as appropriate for Contractor's Program and organization.
 - 2.0 The Contract provides specific references to CFRs, OMB Circulars, rules, regulations, and the like; however, Contractor shall ensure that it follows all applicable laws, rules, regulations, policies, procedures, etc. even if they are not specifically referenced herein.
 - 3.0 The requirements herein are applicable only to Fixed and Non-Fixed Assets. However, Contractor shall exercise

reasonable care in the use and maintenance of Supplies when specific requirements are not addressed.

- B. In the event of any conflict or inconsistency between the requirements established in this Exhibit M and any of the governing OMB Circulars or CFRs, the conflict shall be resolved by giving precedence to the governing OMB Circulars or CFRs.
- C. If the Contract indicates that Fixed and Non-Fixed Assets may be purchased, Contractor shall adhere to all Federal, State and County purchasing and fiscal policies, procedures and requirements. These policies include, but are not limited to:
 - 1.0 The requirements of this Exhibit M.
 - 2.0 Procurement Standards outlined in the OMB Circulars CFRs, as applicable to Contractor's Program and organization as described in Exhibit K (Contract Accounting, Administration and Reporting Requirements).
 - 3.0 Cost principles outlined in the OMB Circulars and CFRs, as applicable to Contractor's Program and organization as described in Exhibit K (Contract Accounting, Administration and Reporting Requirements).
 - 4.0 Additional requirements, which may be communicated to Contractor through County memorandum, directives, change notices, Contract Amendments, etc.

VII. APPROVAL REQUIREMENTS

- A. The following requirements are applicable only to Fixed and Non-Fixed Assets.
- B. Necessary Prior Approval to Purchase Fixed Assets for AAA, DRP, APS and CSAIBG Programs
 - 1.0 Prior to purchasing or acquiring Fixed Assets, Contractor must receive written approval from County when Contractor will use more than \$5,000 of Contract Funds to purchase the Fixed Asset, authorizing the purchase.
 - 2.0 Prior approval is not required for the purchase of Non-Fixed Assets or Supplies. However, Contractor shall adhere to all of the other procurement policies governing the purchase of Non-Fixed Assets as outlined herein.

- 3.0 Upon receiving approval from County, Contractor shall ensure that all Fixed Asset purchases are approved by the Contractor's Board of Directors or its Authorized Representative, before completing a Fixed Asset purchase.
 - 4.0 County's approval of Contractor's Budget does not constitute approval of the purchase of the Fixed Asset(s).
 - 5.0 Examples
 - 5.1 If Contractor intends to purchase a \$5,700 Fixed Asset and will use \$2,500 of Contract Funds to purchase the Fixed Asset, prior approval is not required.
 - 5.2 If Contractor intends to purchase a \$5,700 Fixed Asset and will use \$5,700 of Contract Funds to purchase the Fixed Asset, prior approval is required.
- C. Necessary Prior Approval to Purchase Fixed Assets for WIA Programs
- 1.0 Prior to purchasing or acquiring Fixed Assets, Contractor must receive written approval from County when Contractor will use any portion of Contract Funds to purchase the Fixed Asset.
 - 2.0 Prior approval shall have the same meaning as detailed in Subsection (VI)(A)(6.0), herein.
 - 3.0 Contractor shall submit a separate request to County following the instructions provided in WIA Directive number WIAD03-9 (issued on March 25, 2004). Copies of the Directive are available on the Work Source California website, which may be accessed using the following address:
http://www.worksourcecalifornia.com/information/wib_LAcounty.htm (there is an underscore between *wib* and *LAcounty*).
 - 4.0 County's approval of Contractor's Budget does not constitute approval of the purchase of the Fixed Asset(s).
 - 5.0 Examples
 - 5.1 If Contractor intends to purchase a \$4,500 Asset and will use \$2,500 of Contract Funds to purchase the Fixed Asset, prior approval is not required.

5.2 If Contractor intends to purchase a \$10,000 Asset and will use \$2,500 of Contract Funds to purchase the Fixed Asset, prior approval is required.

D. Necessary Prior Approval to Dispose of Fixed and Non-Fixed Assets

- 1.0 Contractor shall obtain prior written approval from County in order to sell, transfer, donate or otherwise dispose of Assets with a **current** market value over \$500 in the aggregate. The aggregate value is either the total value of a single item or the combined value of multiple items.
- 2.0 Contractor shall contact County's Contract Manager to obtain specific instructions for requesting prior approval from County and shall adhere to all County requirements for the disposal of these Assets.
- 3.0 Prior to the sale, transfer, donation or other disposal of all Assets consisting of electronic equipment with memory capability, Contractor shall notify County to ensure that the device's memory and/or any information stored in the memory is permanently removed, erased and cleared of all Contract and Program related records and information (or any information that would compromise Contractor's ability to adhere to the confidentiality requirements of the Contract, including Paragraph 7.5 (Confidentiality) of the Contract, Exhibit G (Contractor Acknowledgement and Confidentiality Agreement), and Exhibit P (Contractor's Obligations as a "Business Associate" Under the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act (Business Associate Agreement)).

E. Necessary Prior Approval to Use Program Income from Sales Revenue

- 1.0 Contractor shall obtain prior written approval from County for the use of Program Income derived from revenue earned after the sale of Assets pursuant to Exhibit K (Contract Accounting, Administration and Reporting Requirements).

VIII. PURCHASE REQUIREMENTS FOR FIXED AND NON-FIXED ASSETS

- A.** The following requirements are applicable only to Fixed and Non-Fixed Assets. However, Contractor shall exercise due diligence for

the purchase of Supplies when specific requirements are not addressed.

B. Cost Requirements

1.0 Contractor shall perform a cost or price analysis prior to the purchase of an Asset.

1.1 Cost analysis includes the review and evaluation of each element of cost to determine its reasonableness, allocability, and allowability. Contractor shall ensure that Assets are allowable and allocable pursuant to the cost principles outlined in applicable OMB Circulars and CFRs.

1.2 Price analysis includes the comparison of price quotations submitted, market prices, and similar indicia, together with discounts.

2.0 Contractor shall conduct an analysis of lease and purchase alternatives to determine the most economical and practical procurement method.

3.0 Contractor shall avoid purchasing unnecessary or duplicative items. Contractor shall ensure that the costs for Assets are reasonable and proper and that the Assets are necessary to carry out the purposes and activities of the Program (or are necessary and reasonable for the proper and efficient accomplishment of Program objectives).

4.0 Contractor shall ensure that all costs associated with the purchase of Assets are included in its total actual cost (i.e., the final cost of the Asset should include all amounts to be incurred to acquire and to ready the Asset for its intended use). The total actual cost shall also include any deductions for cash discounts, rebates and allowances received by Contractor.

5.0 Contractor shall only charge the total actual cost of the Asset to the Contract. If the total actual cost of the Asset is allocable to multiple funding sources, the share of costs charged to the Contract shall not be charged by Contractor to another grant.

C. Competition

1.0 Contractor shall conduct all procurements for Assets in a manner that provides full, open and free competition

consistent with the procurement standards outlined in the applicable OMB Circulars/CFRs.

- 2.0 Contractor shall ensure that it obtains a minimum of three (3) written competitive bids from the best known sources prior to purchasing the Asset(s).
- 3.0 Contractor shall avoid organizational conflicts of interest and non-competitive practices among vendors that may restrict or eliminate competition or otherwise restrain trade.
- 4.0 Contractor or Contractor's agent who develops or drafts specifications, requirements, statements of work, invitation for bids and/or request for proposals for the procurement of Assets shall be excluded from competing for such procurements.
- 5.0 Contractor shall select the vendor whose bid is most responsive to the requirements outlined in the solicitation.
- 6.0 Sole Source (Procurement by Non-competitive Proposal)
 - 6.1 Sole source procurement is the solicitation of a proposal from only one (1) source or after solicitation of a number of sources, competition is determined inadequate.
 - 6.2 Sole source procurement may only be used when the procurement is not feasible under the small purchase procedures, sealed bids or competitive proposals (as defined in applicable OMB Circulars and CFRs) and one of the following applies:
 - 6.2.1 The Asset is available only from a single source.
 - 6.2.2 Public exigency or emergency for the Asset will not permit a delay resulting from a competitive solicitation.
 - 6.2.3 County provides written authorization for non-competitive procurement of the Asset.
 - 6.2.4 After solicitation of a number of sources, and with written approval from County, competition is determined inadequate.

- 7.0 Contractor shall ensure that solicitations for Assets provide:

- 7.1 Clear and accurate description of the technical requirements for the Asset to be procured and such description shall not contain features which unduly restrict competition.
 - 7.2 Requirements which the bidder must fulfill and all other factors to be used in evaluating bids.
 - 7.3 Description of the functions to be performed/performance required, including the minimum acceptable standards, when practicable.
 - 7.4 Description of specific features of "brand name" products or an equivalent that bidders are required to meet when such items are included in the solicitation.
 - 7.5 Acceptance, to the extent possible and economically feasible, of Assets dimensioned in the metric system of measurement.
 - 7.6 Preference, to the extent possible and economically feasible, for Assets that conserve natural resources and protect the environment and are energy efficient.
- 8.0 Contractor shall make an effort to utilize small businesses, minority-owned firms and women's business enterprises whenever possible, pursuant to the procurement procedures outlined in applicable OMB Circulars and CFRs.

D. Procurement Instrument

- 1.0 Contractor shall determine the type of procurement instrument to be used for the purchase, which may include purchase orders, fixed price contracts, cost reimbursable contracts, etc.
- 2.0 The procurement instrument shall promote the best interests of the Program.
- 3.0 "Cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of procurement shall not be used.

E. Documentation Requirements

- 1.0 Contractor shall maintain proper forms of documentation to demonstrate the significant history of the procurement for all

Assets (e.g., requisitions, purchase orders, receipts, price quotes/vendor bids, etc.).

2.0 Contractor shall have written internal procurement procedures in place (including processes for vendor selection, requisition approval, etc.).

3.0 Contractor shall maintain documentation of its cost/price analysis and any sole source procurement.

4.0 Contractor's Budget

4.1 Contractor shall report Assets purchased with Contract Funds on the Budget (as defined in Exhibit J (Definitions)). Prior to reporting Assets on the Budget, Contractor shall receive approval to purchase Assets as detailed in Section VII (Approval Requirements), herein.

4.2 Assets purchased by Contractor shall match the Assets reported on the Budget.

4.3 The total cost of Assets purchased shall not exceed the amounts reported on the Budget.

4.4 In the event the actual purchase price is either more or less than the cost reported on the Budget, Contractor shall submit a Budget modification to County's Contract Manager before the end of the Fiscal Year pursuant to Paragraph 9.8 (Modifications) of the Contract. Contractor shall be liable for the cost of any Asset when that cost exceeds the amount approved by the County for the purchase of the Asset.

5.0 Documentation Requirements for AAA Programs

5.1 In addition the documentation requirements outlined above, the following applies to AAA Programs:

5.1.1 Contractor shall submit supporting documents including, but not limited to, receipts, purchase orders, invoices, etc. for all Assets.

5.1.2 The supporting documents shall be submitted to County's Contract Manager at the same time that Contractor submits its invoice to County for the purchase.

- F. Assets must be physically received prior to the end of the Fiscal Year during which they are purchased.
- G. Assets purchased either wholly with the Federal share of Contract Funds and/or with any required Contractor matching contribution shall be charged directly to the Program.

IX. INVENTORY REQUIREMENTS FOR FIXED AND NON-FIXED ASSETS

- A. The following requirements are applicable only to Fixed and Non-Fixed Assets. However, Contractor shall exercise reasonable care in the maintenance and tracking of Supplies.
- B. Asset Bar Code Identification Tags
 - 1.0 Contractor shall ensure that all Assets are properly identified with Asset Bar Code Identification tags. These tags shall provide a unique identifier for each Asset, which is used to track the Asset until its final disposition.
 - 2.0 Contractor shall notify County's Contract Manager to obtain the Asset Bar Code Identification tags and County will affix the tags on each Asset.
- C. Inventory Tracking
 - 1.0 Every two (2) years, or more frequently as requested by County, Contractor shall conduct a physical inventory of all Assets and reconcile the results with Contractor's Asset accounting records.
 - 2.0 Contractor shall investigate any differences between quantities determined by the physical inspection and those shown in the accounting records to determine the causes of the difference.
 - 3.0 As part of its inventory tracking, Contractor shall verify the existence, current utilization, and continued need for Assets.
 - 4.0 Contractor shall inventory these Assets until the final disposition procedures have been completed for the Assets.
- D. Inventory Reporting Using the Inventory Control Form and/or Inventory Letter
 - 1.0 During any Fiscal Year in which Contractor purchases Assets, it shall report its inventory of those Assets to County. To this end, Contractor shall utilize Exhibit N (Inventory

Control Form), as the mechanism to report these Assets, as further described in Subsection IX(D)(2.0), herein. During any Fiscal Year in which Contractor does not purchase any Assets, Contractor shall prepare an Inventory Letter in lieu of completing the Inventory Control Form, as further described in Subsection IX(D)(3.0), herein.

2.0 Inventory Control Form

2.1 On an annual basis or more frequently as requested by County, Contractor shall complete Exhibit N (Inventory Control Form) to report its Assets and shall submit it to County's Contract Manager.

2.2 Contractor shall maintain supporting records for all Assets reported on the Inventory Control Form including, but not limited to, receipts of purchase, purchase orders, etc.

2.3 Contractor shall include such supporting records, which must be placed in sequential order (to match the order of the Assets listed on the Inventory Control Form) with the Inventory Control Form unless otherwise directed by County.

2.4 Contractor shall ensure that the information on the supporting records match the information reported on the Inventory Control Form.

2.5 Contractor shall complete the Inventory Control Form by reporting the following Assets:

2.5.1 Assets purchased during prior Fiscal Years.

2.5.2 Assets purchased under Predecessor Agreements.

2.5.3 Assets which County has not authorized Contractor to dispose of (i.e., Contractor shall report all Assets on the Inventory Control Form until the final disposition procedures have been completed for the Assets).

2.6 If Contractor has multiple Contracts with County, Contractor shall use a separate Inventory Control Form to report Assets for each Contract.

3.0 Inventory Letter

3.1 On an annual basis or more frequently as requested by County, Contractor shall prepare the Inventory Letter, and shall submit it to County's Contract Manager. The Inventory Letter shall adhere to the following:

3.1.1 It shall indicate that no Fixed or Non-Fixed Assets were purchased using Contract Funds during the prior Fiscal Year (and shall list the full term of the Fiscal Year; for example, July 1, 20XX – June 30, 20XX).

3.1.2 It shall include the Contractor's name, Contract number and the name of the Program.

3.1.3 If Contractor has multiple Program components, Contractor shall prepare a separate Inventory Letter to report that no Assets were purchased for each Program component. For purposes of this Contract, the Program component is defined as the work to be provided under the Contract which:

3.1.3.1 Has its own defined Services, Clients and other specific requirements as outlined in Exhibit A (Statement of Work); and,

3.1.3.2 Is funded with its own share of the Contract Funds.

3.1.4 The Inventory Letter shall be signed and dated by the Contractor's Authorized Representative.

X. DISPOSAL REQUIREMENTS FOR FIXED AND NON-FIXED ASSETS AND SUPPLIES

A. The following requirements are applicable to Fixed and Non-Fixed Assets and Supplies. However, Contractor shall exercise due diligence to dispose of Supplies when specific requirements are not addressed.

B. Consistent with Federal and State regulations, Contractor may dispose of Assets and Supplies pursuant to the guidelines reflected herein and applicable OMB Circulars and CFRs.

- C. For purposes of this Exhibit M, disposal shall include the sale, discarding, transfer, donation or trade-in or other disposal of Assets.
- D. Only Assets that are considered Salvage or Surplus may be sold, transferred, donated or otherwise disposed of.
 - 1.0 Salvage items include Assets which are either obsolete or broken/irreparable.
 - 2.0 Surplus items are Assets which are no longer needed for the Program due to termination of the Contract, termination of the Program, dissolution of Contractor's operations, or other similar circumstances.
 - 3.0 Contractor may sell, transfer, donate or otherwise dispose of Assets when these conditions are met:
 - 3.1 Only after the Assets have first been offered and declined in writing by County.
 - 3.2 The sale, transfer, donation or other disposal does not create a conflict of interest for County or Contractor (i.e., Contractor employees, or Contractor employees' family members, businesses which employ or have a relationship with Contractor, employees or employees' family members, businesses conducting business with the Contractor, and Clients, etc.).
- E. Disposition upon Dissolution of Contractor or Termination of Contract
 - 1.0 When the Program, for which Assets were purchased, has ended or after dissolution of Contractor's operations, County reserves the right to determine the final disposition of the Assets.
 - 2.0 Disposition may include, but is not limited to, County taking possession of and acquiring the Assets.
 - 3.0 Contractor shall prepare a final Inventory Control Form reflecting the Assets to be provided to County, and shall submit it to County's Contract Manager.
 - 4.0 County reserves the right to require Contractor to transfer such Assets to another entity, including, but not limited to, the County or the State.

- 5.0 To exercise the right referenced in Subsection X(E)(4.0), herein, County will issue specific written disposition instructions to Contractor no later than 140 days after termination of the Contract or notification of the Contractor's dissolution.

F. Supplies

- 1.0 Contractor shall compensate County for its share of the residual inventory of unused Supplies if the **current** fair market value of the inventory exceeds \$500 or more in the aggregate when the items are no longer needed for either the Program or another Federally-funded program.
- 2.0 The aggregate value in this case is the total value of all remaining unused Supplies.

G. Current Fair Market Value

- 1.0 Contractor shall determine the current fair market value of all Assets being sold, transferred, disposed of or donated.
- 2.0 Contractor shall use one or more of the following methods/resources to determine the current fair market value:
- 2.1 Orion Computer Blue Book
 - 2.2 Professional or expert appraisal
 - 2.3 Public advertisement
 - 2.4 Industry quotation
 - 2.5 Other similar methods/products

H. Sale of Assets

- 1.0 After receiving written approval from County for this action, Contractor may sell Assets, which meet the requirements outlined in Subsection X(D)(1.0 – 3.0), herein, as a method of disposing those Assets.
- 2.0 Contractor shall have proper sales procedures in place in order to sell Assets. These procedures shall provide for competition to the extent practicable and shall result in the highest possible return.

- 3.0 Contractor shall record all sales revenue information relating to the sale or disposition of the Assets. Revenue from the sale of Assets becomes Program Income and Contractor may be required to reimburse County for the revenue that is earned pursuant to Exhibit K (Contract Accounting, Administration and Reporting Requirements).
- 4.0 After the sale of an Asset, Contractor shall prepare an updated Inventory Control Form and submit it to County within the timeframe to be specified by County. The updated Inventory Control Form shall reflect information on the Assets sold.
- 5.0 Contractor shall obtain receipts from the recipient of the sale item(s) acknowledging receipt of the sale item(s) and shall forward copies of the receipts to County's Contract Manager along with the completed Inventory Control Form.

I. Transfer of Assets

- 1.0 After receiving written approval from County to transfer Assets, which meet the requirements outlined in Subsection X(D)(1.0 – 3.0), herein, Contractor may proceed with this action as a method of disposing those Assets.
- 2.0 Contractor shall transfer Assets according to this order:
 - 2.1 To another program providing the same or similar service as that provided in this Contract.
 - 2.2 To a State/Federally-funded program.
- 3.0 After the transfer of an Asset, Contractor shall prepare an updated Inventory Control Form and submit it to County's Contract Manager within the timeframe to be specified by County. The updated Inventory Control Form shall reflect information for the Assets transferred.
- 4.0 Contractor shall obtain receipts from the recipient of the transferred item(s) acknowledging receipt of the transferred item(s) and shall forward copies of the receipts to County's Contract Manager along with the completed Inventory Control Form.

J. Donation of Assets

- 1.0 After receiving written approval from County to donate Assets, which meet the requirements outlined in Subsection

X(D)(1.0 – 3.0), herein, Contractor may proceed with this action as a method of disposing those Assets.

2.0 To donate Assets, Contractor shall:

2.1 Prepare an updated Inventory Control Form and submit it to County's Contract Manager within the timeframe to be specified by County. The updated Inventory Control Form shall reflect information for the Assets donated.

2.2 Obtain receipts from the recipient of the donated item(s) acknowledging receipt of the donated item(s) and shall forward copies of the receipts to County's Contract Manager along with the completed Inventory Control Form.

2.3 Obtain liability waiver(s) for donated items. Contractor shall be responsible for developing its own liability waiver, which should provide the following information, at a minimum:

2.3.1 Names and addresses of Contractor and recipient organization.

2.3.2 Complete description of Asset(s) being donated including, but not limited to, Asset Bar Code Identification tag number, Asset name and make/model, serial number, quantity and condition.

2.3.3 Date when donation was received by recipient organization.

2.3.4 Certification statement to be attested to by recipient organization releasing Contractor from all liability for donated Asset(s).

2.3.5 Name, signature and title of the recipient organization's Authorized Representative.

XI. RECORDKEEPING

A. Contractor shall maintain all Inventory Control Forms and all supporting records (including but not limited to invoices, receipts, purchase orders, etc.) for Assets and Supplies pursuant to Paragraph 8.38 (Record Retention and Inspection/Audit Settlement) of the Contract.

- B. Contractor shall make these documents available for collection and/or viewing by Federal, State and County authorities.

Contract Number:

Contract Services:

Fiscal Year:

Completed By:

Phone Number:

Title:

[illegible]

I certify under penalty of perjury that a complete physical inventory has been conducted, the information provided on this form is correct to the best of my knowledge, and all purchases were made in accordance with the conditions of the Contract and are in compliance with local, State, and federal regulations.

Name of Authorized Representative

Signature

Title of Authorized Representative

Date _____

Provide condition of the asset upon its disposal, transfer or as requested by County. Condition descriptions: V=Very Good; G=Good; F=Fair; P=Poor; S=Salvage/disposed

Contract Number:

of

[illegible]

02/19/2013

EXHIBIT O
CHARITABLE CONTRIBUTIONS CERTIFICATION

Contractor's Name

Contract Number

Address

Internal Revenue Service Employer Number Identification Number

California Registry of Charitable Trusts "CT" Number (if applicable)

The Nonprofit Integrity Act (Senate Bill 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

Check the certification below that is applicable to your organization:

- ☐ Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Contractor engages in activities subjecting it to those laws during the term of the Contract, it will timely comply with them and provide County's Contract Manager a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

OR

- ☐ Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, Sections 300-301 and Government Code Sections 12585-12586.

Name of Authorized Representative (Print)

Signature

Title of Authorized Representative (Print)

Date

EXHIBIT P
CONTRACTOR'S OBLIGATIONS AS A
"BUSINESS ASSOCIATE" UNDER THE HEALTH INSURANCE
PORTABILITY AND ACCOUNTABILITY ACT OF 1996 AND THE HEALTH
INFORMATION TECHNOLOGY
FOR ECONOMIC AND CLINICAL HEALTH ACT
(BUSINESS ASSOCIATE AGREEMENT)

Under this Contract ("Agreement"), Contractor ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to or creates Protected Health Information in order to provide those Services.

Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (together, the "Privacy and Security Regulations"). The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate ("Business Associate Agreement") in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place.

Further, pursuant to the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005, Division A-Title XIII (Health Information Technology) and Division B-Title IV (Medicare and Medicaid Health Information Technology; Miscellaneous Medicare Provisions), collectively entitled "HITECH Act", effective February 17, 2010, certain provisions of the HIPAA Privacy and Security Regulations apply to Business Associates in the same manner as they apply to Covered Entity and such provisions must be incorporated into the Business Associate Agreement.

This Business Associate Agreement and the following provisions are intended to protect the privacy and provide for the security of Protected Health Information disclosed to or used by Business Associate in compliance with HIPAA's Privacy and Security Regulations and the HITECH Act, as they now exist or may hereafter be amended.

Therefore, the parties agree as follows:

1.0 DEFINITIONS

- 1.1 "Breach" has the same meaning as the term "breach" in 45 C.F.R. § 164.402.
- 1.2 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its employees.
- 1.3 "Electronic Health Record" has the same meaning as the term "electronic health record" in the HITECH Act, 42 U.S.C. Section 17921. Electronic Health Record means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff.
- 1.4 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission. The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.
- 1.5 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.
- 1.6 "Individual" means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.7 "Minimum Necessary" refers to the minimum necessary standard in 45 C.F.R. § 162.502 (b) as in effect or as amended.

- 1.8 **"Privacy Rule"** means the Standards for Privacy of Individually Identifiable Health Information at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164, also referred to as the Privacy Regulations.
- 1.9 **"Protected Health Information"** has the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Health Information.
- 1.10 **"Required By Law"** means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.
- 1.11 **"Security Incident"** means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.
- 1.12 **"Security Rule"** means the Security Standards for the Protection of Electronic Health Information also referred to as the Security Regulations at 45 Code of Federal Regulations (C.F.R.) Part 160 and 164.
- 1.13 **"Services"** has the same meaning as in the body of this Agreement.
- 1.14 **"Unsecured Protected Health Information"** has the same meaning as the term "unsecured protected health information" in 45 C.F.R. § 164.402.

1.15 "Use" or "Uses" mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations.

1.16 Terms used, but not otherwise defined in this Business Associate Agreement shall have the same meaning as those terms in the HIPAA Regulations and HITECH Act.

2.0 OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

- (a) shall Use and Disclose Protected Health Information only as necessary to perform the Services, and as provided in Sections 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 4.3 and 5.2 of this Agreement;
- (b) shall Disclose Protected Health Information to Covered Entity upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
 - (i) Use Protected Health Information; and
 - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose or in any manner that would constitute a violation of the Privacy Regulations or the HITECH Act if so Used or Disclosed by Covered Entity.

2.2 Prohibited Uses and Disclosures of Protected Health Information. Business Associate:

- (a) shall not Use or Disclose Protected Health Information for fundraising or marketing purposes.
- (b) shall not disclose Protected Health Information to a health plan for payment or health care operations purposes if the Individual has requested this special restriction and has paid out of pocket in full for the health care item or service to which the Protected Health Information solely relates.

- (c) shall not directly or indirectly receive payment in exchange for Protected Health Information, except with the prior written consent of Covered Entity and as permitted by the HITECH Act. This prohibition shall not affect payment by Covered Entity to Business Associate. Covered Entity shall not provide such written consent except upon express approval of the departmental privacy officer and only to the extent permitted by law, including HIPAA and the HITECH Act.

2.3 Adequate Safeguards for Protected Health Information. Business Associate:

- (a) shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Business Associate Agreement. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard as in effect or as amended.
- (b) as to Electronic Protected Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information; effective February 17, 2010, said safeguards shall be in accordance with 45 C.F.R. Sections 164.308, 164.310, and 164.312, and shall comply with the Security Rule's policies and procedure and documentation requirements.

2.4 Reporting Non-Permitted Use or Disclosure and Security Incidents and Breaches of Unsecured Protected Health Information. Business Associate:

- (a) shall report to Covered Entity each Use or Disclosure of Protected Health Information that is made by Business Associate, its employees, representatives, Agents, subcontractors, or other parties under Business Associate's control with access to Protected Health Information but which is not specifically permitted by this Business Associate Agreement or otherwise required by law.
- (b) shall report to Covered Entity each Security Incident of which Business Associate becomes aware.
- (c) shall notify Covered Entity of each Breach by Business Associate, its employees, representatives, agents or subcontractors of Unsecured Protected Health Information that is known to Business Associate or, by exercising reasonable diligence, would have been

known to Business Associate. Business Associate shall be deemed to have knowledge of a Breach of Unsecured Protected Health Information if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer, or other agent of the Business Associate as determined in accordance with the federal common law of agency.

2.4.1 Immediate Telephonic Report. Except as provided in Section 2.4.3, notification shall be made immediately upon discovery of the non-permitted Use or Disclosure of Protected Health Information, Security Incident or Breach of Unsecured Protected Health Information by telephone call to the Countywide Information Security Hotline at (562) 940-3335.

2.4.2 Written Report. Except as provided in Section 2.4.3, the initial telephonic notification shall be followed by written notification made without unreasonable delay and in no event later than three (3) business days from the date of discovery of the non-permitted Use or Disclosure of Protected Health Information, Security Incident, or Breach by the Business Associate to the Chief Privacy Officer at:

Chief Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple Street
Suite 525
Los Angeles, California 90012

Phone: (213) 974-2166

E-Mail: HIPAA@auditor.lacounty.gov

- (a) The notification required by Section 2.4 shall include, to the extent possible, the identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, Used, or Disclosed; and
- (b) The notification required by Section 2.4 shall include, to the extent possible, all information required to provide notification to the Individual under 45 C.F.R. 164.404(c), including:

- (i) A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;
- (ii) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);
- (iii) Any other details necessary to conduct an assessment of whether there is a risk of harm to the Individual;
- (iv) Any steps Business Associate believes that the Individual could take to protect himself or herself from potential harm resulting from the breach;
- (v) A brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to the Individual, and to protect against any further Breaches; and
- (vi) The name and contact information for the person most knowledgeable regarding the facts and circumstances of the Breach.

If Business Associate is not able to provide the information specified in Section 2.3.2 (a) or (b) at the time of the notification required by Section 2.4.2, Business Associate shall provide such information promptly thereafter as such information becomes available.

2.4.3 Request for Delay by Law Enforcement. Business Associate may delay the notification required by Section 2.4 if a law enforcement official states to Business Associate that notification would impede a criminal investigation or cause damage to national security. If the law enforcement official's statement is in writing and specifies the time for which a delay is required, Business Associate shall delay notification, notice, or posting for the time period specified by the official; if the statement is made orally, Business Associate shall document the statement, including the identity of the official making the statement, and delay notification, notice, or posting temporarily and no longer than thirty (30) days from the date of the oral statement, unless a written statement as described in paragraph (a) of this Section is submitted during that time.

2.5 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Business Associate Agreement.

2.6 Breach Notification. Business Associate shall, to the extent Covered Entity determines that there has been a Breach of Unsecured Protected Health Information, provide Breach notification for each and every Breach of Unsecured Protected Health Information by Business Associate, its employees, representatives, agents or subcontractors, in a manner that permits Covered Entity to comply with its obligations under Subpart D, Notification in the Case of Breach of Unsecured PHI, of the Privacy and Security Regulations, including:

- (a) Notifying each Individual whose Unsecured Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, Used, or Disclosed as a result of such Breach;
- (b) The notification required by paragraph (a) of this Section 2.6 shall include, to the extent possible:
 - (i) A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;
 - (ii) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);
 - (iii) Any steps the Individual should take to protect him or herself from potential harm resulting from the Breach;
 - (iv) A brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to individuals, and to protect against any further Breaches; and
 - (v) Contact procedures for Individual(s) to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.
 - (vi) The notification required by paragraph (a) of this Section shall be written in plain language.

Covered Entity, in its sole discretion, may elect to provide the notification required by this Section 2.6, and Business Associate shall reimburse Covered Entity any and all costs incurred by Covered Entity, including costs of notification, internet posting, or media publication, as a result of Business Associate's Breach of Unsecured Protected Health Information.

- 2.7 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.
- 2.8 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity. If Business Associate maintains an Electronic Health Record, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act.
- 2.9 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.
- 2.10 Accounting of Disclosures. Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or subcontractors, in order to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528 and/or the HITECH Act which requires an

Accounting of Disclosures of Protected Health Information maintained in an Electronic Health Record for treatment, payment, and health care operations.

Any accounting provided by Business Associate under this Section 2.10 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.10, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.10 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528. If Business Associate maintains an Electronic Health Record, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act.

- 2.11 Indemnification. Business Associate shall indemnify, defend, and hold harmless Covered Entity, including its elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, penalties and fines (including regulatory penalties and/or fines), and expenses (including attorney and expert witness fees), arising from or connected with Business Associate's acts and/or omissions arising from and/or relating to this Business Associate Agreement; Business Associate's obligations under this provision extend to compliance and/or enforcement actions and/or activities, whether formal or informal, of Secretary of the federal Department of Health and Human Services and/or Office for Civil Rights.

3.0 OBLIGATION OF COVERED ENTITY

- 3.1 Obligation of Covered Entity. Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

4.0 TERM AND TERMINATION

- 4.1 Term. The term of this Business Associate Agreement shall be the same as the term of this Agreement. Business Associate's obligations under

Sections 2.1 (as modified by Section 4.2), 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon either party's knowledge of a material breach by the other party, the party with knowledge of the other party's breach shall:

- (a) Provide an opportunity for the breaching party to cure the breach or end the violation and terminate this Agreement if the breaching party does not cure the breach or end the violation within the time specified by the non-breaching party;
- (b) Immediately terminate this Agreement if a party has breached a material term of this Agreement and cure is not possible; or
- (c) If neither termination nor cure is feasible, report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

- (a) Except as provided in paragraph (b) of this Section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
- (b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

5.0 MISCELLANEOUS

- 5.1 **No Third-Party Beneficiaries.** Nothing in this Business Associate Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 5.2 **Use of Subcontractors and Agents.** Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Business Associate Agreement.
- 5.3 **Relationship to Services Agreement Provisions.** In the event that a provision of this Business Associate Agreement is contrary to another provision of this Agreement, the provision of this Business Associate Agreement shall control. Otherwise, this Business Associate Agreement shall be construed under, and in accordance with, the terms of this Agreement.
- 5.4 **Regulatory References.** A reference in this Business Associate Agreement to a Section in the Privacy or Security Regulations means the Section as in effect or as amended.
- 5.5 **Interpretation.** Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.
- 5.6 **Amendment.** The parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations and other privacy laws governing Protected Health Information.

EXHIBIT Q
CERTIFICATION OF COMPLIANCE WITH COUNTY'S
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Contractor's Name

Contract Number

Address

Telephone Number

E-Mail Address

Contract Services

The Contractor certifies that:

- ☐ It is familiar with the terms of the County of Los Angeles Defaulted Property Tax Reduction Program, Los Angeles County Code Chapter 2.206; and

To the best of its knowledge, after a reasonable inquiry, the Contractor is not in default, as that term is defined in Los Angeles County Code Section 2.206.020.E, on any Los Angeles County property tax obligation; and

It agrees to comply with the County's Defaulted Property Tax Reduction Program during the term of the Contract.

- OR -

- ☐ It is exempt from the County of Los Angeles Defaulted Property Tax Reduction Program, pursuant to Los Angeles County Code Section 2.206.060, for the following reason:

On behalf of Contractor's organization, I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Name of Authorized Representative (Print)

Signature

Title of Authorized Representative (Print)

Date

EXHIBIT R
CONTRACT MANAGEMENT SYSTEM – CONTRACTORS GATEWAY
TERMS AND CONDITIONS OF USE

- 1.0 County has developed the Contract Management System – Contractors Gateway (hereafter “System”), an automated system designed to electronically manage the Contract. County has implemented the System and Contractor shall use the System to perform its administrative contracting functions as directed by County.
- 2.0 County has established policies concerning the access, use and maintenance of the System. Contractor shall adhere to these policies, which include this Exhibit R (hereafter “Terms and Conditions of Use”), the Contract Management System-Contractors Gateway User Acknowledgement Agreement (“User Acknowledgement Agreement”), instruction guides/tutorials provided by County, training sessions conducted by County, etc. Contractor’s non-compliance with these policies may subject Contractor to denial of access to the System, suspension of payment(s), termination of the Contract, and/or other actions which County may take at its sole discretion.
- 3.0 System Access and Control
 - 3.1. Contractor shall access the System using the following Uniform Resource Locator (URL) link:
https://gateway.css.lacounty.gov:4443/OA_HTML/AppsLogin (please note there is an underscore between “OA” and “HTML” in the URL).
 - 3.2. Contractor shall ensure that data that is accessed using County information technology resources must be used for County authorized purposes and must not be disclosed to others without County’s prior written authorization or unless required by Federal, State or Program regulations.
 - 3.3. Unauthorized access by Contractor to any County information technology resource, including the System, network, software application programs, data files, and restricted work areas is prohibited.
 - 3.4. Accessing the System During Non-Business Hours
 - 3.4.1. County recommends that Contractor does not access the System during non-business hours in order to allow County to provide technical assistance when requested from Users (who are defined in Section 5.0-User Accounts, herein).
 - 3.4.2. For purposes of this Terms and Conditions of Use, non-business hours are defined as the days and times that are outside of the traditional work week (where the traditional work week is

recognized as Monday – Friday, 8:00 a.m. to 5:00 p.m.). The traditional work week does not include County-recognized holidays.

- 3.4.3. Generally, County-recognized holidays are the same as Federally-recognized holidays such as January 1st, July 4th, December 25th, etc. of each year. Contractor may obtain a current list of County-recognized holidays from County's Contract Manager.

4.0 System Protocols and Security

- 4.1. Digital communications that occur between Contractor and County within the System are conducted over a secure network, which has been established by County using Secure Socket Layer technology, one of the most robust encryption platforms available.
- 4.2. The System's URL provides an assurance to County and Contractor that accessing and using the System are done securely. A Web browser in secure mode will display a URL address beginning with "<https://>" rather than the standard "<http://>", where the "s" in "<https://>" stands for "secure".
- 4.3. County has established these secure, standard protocols which encrypt data across publicly used Internet connections.
- 4.4. County will make every effort to provide standard Internet-level performance while Users utilize the System. Contractor shall contact County when it experiences any disruptions in services by following the guidelines established in Subsection 8.2, herein.

5.0 User Accounts

5.1. Designation of Users

- 5.1.1. Contractor shall designate Contractor Employees (Users) who shall be responsible for operating the System on Contractor's behalf.
- 5.1.2. For purposes of this Terms and Conditions of Use, a Contractor Employee is defined as a staff member on Contractor's payroll who works on the Contract.
- 5.1.3. Contractor shall obtain prior approval from County to designate an account for each User who accesses the System. Contractor shall follow the instruction guides/tutorials provided by County and the general guidelines outlined in Subsection 5.5-Requesting User Accounts, herein, for requesting, creating and designating User accounts.

5.2. User Account Classification

5.2.1. User accounts are classified as either View-Only or Administrative. Contractor shall designate a classification for each User when requesting approval for a User account.

5.2.2. There are two (2) types of User account classifications:

5.2.2.1. View-Only User: A User who can access the System to view all Contract documents and agency information.

5.2.2.2. Administrative User: A User who can access the System to view all Contract documents and agency information, submit Contract documents to County, update Contractor's administrative information, receive automated System alerts/notices (when designated as the contact person for this responsibility), and perform other functions as defined by County.

5.3. Active and Inactive User Accounts

5.3.1. An active User account is defined as a User who has an approved, current, valid account, which does not have an inactive or termination date in the System. This User can access the System and perform functions based on his/her account classification (as defined in Subsection 5.2-User Account Classification, herein).

5.3.2. An inactive User account is defined as a User whose account profile has been assigned an inactive or termination date and User can no longer access the System.

5.4. Contractor shall designate and maintain a minimum of two (2) active Users (up to a maximum of four (4) active Users) at all times as follows:

5.4.1. Contractor shall designate at least one (1) Administrative User at the level of the Contractor's Project Director.

5.4.2. Contractor shall designate at least one (1) User who has delegated authority to execute the Contract. This User shall be at the level of the Executive Director and may be classified as either a View-Only User or an Administrative User.

5.4.3. One of the two Users shall be designated as the responsible contact who shall receive and respond to System generated alerts/notices pertaining to Contract Document Deliverables (e.g., insurance certificates, business licenses, permits, etc.).

5.5. Requesting User Accounts

5.5.1. Contractor shall obtain prior approval from County in order to establish User accounts in the System. Contractor shall follow these general guidelines to obtain County's approval:

5.5.1.1. Contractor shall review its Employees, assess each of their responsibilities, and determine which Employee(s) should have a User account in the System.

5.5.1.2. Contractor shall provide the Employee with the User Acknowledgement Agreement, and the Employee shall read and complete the form. Contractor's Authorized Representative shall review and sign the form. Contractor shall ensure that the User Acknowledgement Agreement is completed for each Employee that will receive a User account.

5.5.1.3. Contractor shall ensure that the completed User Acknowledgement Agreement is attached/saved in the System as a Contract Document Deliverable (on the General Page of the Administration tab) prior to requesting and being granted access to the System by County.

5.5.1.4. Contractor shall create a profile for each User in the System.

5.5.1.5. Upon County's receipt of the User profile submitted by Contractor, County will review User's profile and Employee's completed User Acknowledgement Agreement.

5.5.1.6. County will inform Contractor whether the User account has been approved or rejected.

5.5.2. Approved and Rejected User Accounts

5.5.2.1. Upon approval of Contractor's request for a User account, County will provide User with a unique User Name (login/System identifier) and a default password.

5.5.2.1.1. User shall be responsible for changing his/her password when prompted by the System.

5.5.2.1.2. User may begin accessing the System immediately.

5.5.2.2. Upon rejection of Contractor's request for a User account, County will follow-up with Contractor to discuss the reason(s) for rejecting Contractor's request for a User account.

5.5.3. Contractor's Assurances Upon Creating User Accounts

5.5.3.1. Contractor is responsible for the conduct of all Users who access and utilize the System. Contractor shall ensure that Contractor and its Users adhere to this Terms and Conditions of Use, the User Acknowledgement Agreement, instruction guides/tutorials provided by County, training sessions conducted by County, etc. which establish the policies under which the Users shall operate the System.

5.5.3.2. Contractor shall ensure that each User's copy of the User Acknowledgement Agreement forms are saved in the System as a Contract Document Deliverable. Contractor shall not delete any User Acknowledgement Agreement forms from the System without County's written prior approval.

5.5.3.3. Contractor shall ensure that all Users receive and maintain current copies of all instruction guides/tutorials for using the System, which are developed by County and provided to Contractor.

5.6. User Name and Password

5.6.1. Contractor shall ensure that its Users do not share their unique User Name and password with any other person.

5.6.2. County recommends that Users change their passwords every three (3) months to ensure additional password security.

5.6.3. Contractor shall ensure that all Users maintain valid, secure e-mail accounts, which shall be used for self-service maintenance of User Name and password information. In the event that Users forget their User Name or password, User shall adhere to the instruction guides/tutorials provided by County for resetting the User Name or password.

5.6.4. Repeated changes to a User's password outside of the recommended three-month period, as noted in Subsection 5.6.2,

herein, shall be monitored and investigated by County and may result in County suspending User's access.

5.7. Change in User's Status

- 5.7.1. When a User's status changes (e.g., he/she is no longer employed by Contractor or User's responsibilities change), Contractor's Authorized Representative shall take immediate action to update the User's account profile. Updates to User account profiles shall be approved by County.
- 5.7.2. Contractor shall update User account profiles in the System by removing a User's account once that User is no longer an Employee on the Contract.
- 5.7.3. New Employees/Users
 - 5.7.3.1. When Contractor determines that a new Employee shall receive a User account, Contractor shall adhere to the guidelines established in Subsection 5.5- Requesting User Accounts, herein, to create an account in the System.
 - 5.7.3.2. Prior to requesting a new User account, Contractor shall ensure that it continues to maintain at least two (2) active Users and does not exceed the maximum of four (4) Users (pursuant to Subsection 5.4, herein).
- 5.7.4. Contractor shall regularly review all User account information to ensure accuracy and completeness. Contractor shall ensure that updates are completed whenever administrative changes occur.
- 5.7.5. If County determines at its own discretion that Contractor is creating or removing User accounts too frequently then County shall take appropriate measures to investigate and remedy these occurrences. Upon County's request, Contractor shall provide sufficient justification for these frequent User account updates.

6.0 General Policies for Use

- 6.1. County information technology resources are to be used solely for County business purposes.
- 6.2. County may periodically update this Terms and Conditions of Use and the User Acknowledgement Agreement policies. County may also implement future enhancements to the System. Contractor shall ensure that Contractor and Users adhere to all policy updates as well as any new procedures for using System enhancements.

6.3. Data Integrity

6.3.1. Contractor shall ensure that Users maintain the integrity of data they enter in the System, and do not save, store or attach electronic files in the System which do not meet the following requirements:

6.3.1.1. File types must be Word, Excel or Portable Data Format (PDF) documents. Files such as pictures, videos, music, PowerPoint presentations, or other files as determined by County are not acceptable types of documents.

6.3.1.2. File types must be compatible with standard/common national brands, including Microsoft Office 2003 products or later version (Word, Excel, etc.), Adobe Reader 9.0 (or later version) or their equivalent.

6.3.1.3. Files shall not be corrupted (i.e., documents shall be free of viruses).

6.3.1.4. The size limit of each file shall not exceed ten (10) megabytes (10 MB).

6.3.2. Contractor's non-compliance with the data requirements outlined herein will be remedied at County's sole discretion.

6.4. E-Mail Alerts and Notices

6.4.1. The System generates automatic e-mail alerts and notices based on the occurrence of certain events. These events may include, but are not limited to, confirmation of executed Contract (or Amendments), request for Contract Document Deliverables, notification of expired Contract Compliance Document Deliverables, etc.

6.4.2. Contractor shall ensure that its Users adhere to all alerts and notices generated by the System. These alerts and notices shall convey and have the same effect and importance as alerts and notices sent by County's Administration (or their designees) as defined in Paragraph 6.0 (Administration of Contract-County) in the Contract and Exhibit E (County's Administration). Contractor shall appropriately respond to all requests for documentation, promptly adhere to due dates/deadline requirements and diligently follow all instructions indicated in the alert/notice.

6.5. Administrative Changes

- 6.5.1. Pursuant to Paragraph 7.0 (Administration of Contract-Contractor) and Paragraph 8.34 (Notices) of the Contract, Contractor shall designate its authorized staff by using Exhibit F (Contractor's Administration). Further, Contractor shall initiate any changes in its staff, including those listed on Exhibit F (Contractor's Administration), by giving written notice to County.
- 6.5.2. When changes to Contractor's staff, address or other items requiring written notice are necessary, Contractor shall:
 - 6.5.2.1. Adhere to the requirements outlined in Paragraph 8.34 (Notices) of the Contract.
 - 6.5.2.2. Upon providing the required written notice to County, update the administrative data in the System, including all User account profile information.
- 6.5.3. Implementation and use of the System shall not excuse Contractor from adhering to the requirements for providing proper written notice to County when changes occur in Contractor's administration.

7.0 Monitoring

- 7.1. All County information technology resources are subject to audit and periodic, unannounced review by County.
- 7.2. County reserves the right to administer, monitor, audit and/or investigate Contractor's access to and use of County's information technology resources (i.e., System, e-mails, Contractor-generated data files, etc.). If evidence of abuse or negligence is identified, County will take the appropriate actions to remedy any areas of Contractor's non-compliance.
- 7.3. During County's monitoring of User activities, unusual practices will be investigated and reported to County's Administration. County will take the necessary steps to remedy Contractor's inappropriate use of the System. Unusual practices may include, but are not limited to, the following:
 - 7.3.1. Users frequently accessing the System during non-business hours (pursuant to Subsection 3.4-Accessing the System During Non-Business Hours, herein).
 - 7.3.2. Contractor not maintaining the minimum and/or exceeding the maximum number of Users at any point in time (pursuant to Subsection 5.4, herein).

7.3.3. Users changing their passwords more than the recommended limit (pursuant to Subsection 5.6.4, herein).

7.3.4. Contractor frequently changing its Users (pursuant to Subsection 5.7.5, herein).

8.0 System Maintenance and Technical Assistance

8.1. To ensure proper operation of the System, County will periodically perform routine System maintenance activities. Since these activities will impact the ability of Users to access the System, County will notify Users when they attempt to login that System maintenance is occurring and County will indicate the time when the System will become available. Generally, System maintenance activities will occur during non-business hours (e.g., weekends, late evenings, County-recognized holidays, etc.) to limit the impact to Users.

8.2. County will provide assistance to Users in the event of technical difficulties that may occur while utilizing the System. Technical assistance will be provided as follows:

8.2.1. Monday through Friday, 8:00 a.m. to 5:00 p.m. (excluding County-recognized holidays).

8.2.2. Contact Ms. Tsotso Odamtten by phone or e-mail as follows: (213) 738-2663 or tsotso@css.lacounty.gov.

8.2.3. County will follow-up on requests for assistance from Contractor within at least one (1) business day during the traditional work week (pursuant to Subsections 3.4.2 and 8.2.1, herein).

EXHIBIT S PERFORMANCE REQUIREMENTS SUMMARY CHART

The Performance Requirements Summary (PRS) Chart is a listing of the minimum required services/tasks and performance that will be monitored and evaluated during the Contract term. The PRS chart also lists examples of the types of documents that will be used during monitoring, as well as the standards of performance, the acceptable quality level of performance, and remedies for non-compliance that are available if Contractor fails to perform at the acceptable quality level.

All listings of required services or standards used in this Performance Requirements Summary Chart are intended to be completely consistent with the terms and conditions of the Contract and the Statement of Work (Exhibit A to the Contract) and are not meant in any case to create, extend, revise, or expand any obligation of the Contractor beyond that defined in the terms and conditions of this Contract and Statement of Work. In any case of apparent inconsistency between required services or Standards as stated in the terms and condition of the Contract, the Statement of Work, and this Performance Requirements Summary (PRS) Chart, the terms and conditions of the Contract and the Statement of Work (SOW) shall prevail.

Performance Outcomes	Standards	Acceptable Quality Level	Data Source	Remedies for Non-Compliance
Provide Home-Delivered Meal Services to the most vulnerable Clients.	By the end of the initial fiscal year 65% of Home-Delivered Meal Clients will have a Nutrition Risk Score of six or above. The percent of Home-Delivered Meal Clients with a Nutrition Risk Score of six or more will increase by 5% each fiscal year for the term of the Contract.	100%	SAMS	If Contractor performance does not meet the Acceptable Quality Level, County will have the option to apply the following remedies: 1) Corrective Action Plan 2) Suspension of Payment 3) Suspension of Contract 4) Liquidated Damages 5) Reduce and reallocate funds 6) Termination of Contract
Specific Tasks	Standards	Acceptable Quality Level	Data Source	Remedies for Non-Compliance
Client Assessment	Assess the needs for Homebound Clients within two weeks before/after services begin. Assess the needs for Congregate Meal Clients within two weeks before/after services begin.	100% 100%	SAMS SAMS	If Contractor performance does not meet the Acceptable Quality Level, County will have the option to apply the following remedies: 1) Corrective Action Plan 2) Suspension of Payment 3) Suspension of Contract 4) Liquidated Damages 5) Reduce and reallocate funds 6) Termination of Contract
Client Reassessment	Reassess an ENP Client at least once annually.	100%	SAMS	
% of Services and Expenditures	Contractor shall provide 100% of Services and expend 100% of their Maximum Annual Contract Sum for Congregate Meal Services. Contractor shall provide 100% of Services and expend 100% of their Maximum Annual Contract Sum for Home-Delivered Meal Services.	95% 95%	SAMS SAMS	

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COMMUNITY DEVELOPMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator
By: Fred Ramirez, City Planner

DATE: February 19, 2013

SUBJECT: Adoption of an Ordinance Amending Chapter 106 and Implementing Housing Element Program No. 11

RECOMMENDATION:

It is recommended that the City Council:

- a. Conduct a Public Hearing;
- b. Pending public testimony, adopt a Resolution (Attachment "A") approving the Initial Study and Negative Declaration for the proposed adoption of an Ordinance Amending Chapter 106 and implementing Housing Element Program No. 11;
- c. Introduce for first reading, in title only, and waive further reading of "An Ordinance of the City of San Fernando Amending Article 1 of Chapter 106 to define Single Room Occupancy Unit, Community Care Facilities, Emergency Homeless Shelters, Manufactured Housing, Transitional Housing and Supportive Housing and Amending Article III of Chapter 106 to Provide that Emergency Shelters are Permitted Uses in the M-2 Light Industrial Zone with Applicable Development Standards, Single Room Occupancy as Conditionally Permitted Uses in the C-1 and C-2 Commercial Zones, Community Care Facilities of Seven or More Persons as Conditionally Permitted Uses in all Residential Zones, and that Manufactured Housing, Transitional and Supportive Housing are and shall be treated as Residential Uses Applicable to the Type of Residential Structure or Use Involved" (Attachment "B"); and,
- d. Direct staff to provide for notice of a public hearing on the adoption of proposed Ordinance at the City Council's March 18, 2013 meeting.

BACKGROUND:

1. In 2007 the State legislature enacted SB 2 (Cedillo), which requires local jurisdictions to incorporate policies into their general plan housing elements to permit the establishment of: Single Room Occupancy residential units ("SRO"), allow manufactured housing, community

Adoption of an Ordinance Amending Chapter 106 and implementing Housing Element Program No. 11
Page 2

care facilities, emergency homeless shelters, transitional and supportive housing as permitted or conditionally permitted uses in specified zoning districts and to amend local ordinances to implement such policies.

2. In April 2009, the City Council adopted the 2008-2014 General Plan Housing Element that includes Housing Implementing Program No. 11 (Zoning Ordinance Revisions). The noted housing program provided for the amendment of “the [city’s] zoning ordinance by December 2009 to make explicit provisions for manufactured housing, community care facilities, SROs, transitional and supportive housing, and emergency shelters. Develop objective standards to regulate emergency shelters as provided under SB 2.” (2008-2014 Housing Element Objective; 2008-2014 Housing Element, V-16 (Housing Plan).) In addition, the housing element provided for the identification of manufactured housing as a permitted use in residential zoning districts.
3. On October 2, 2012, City planning staff provided an overview of the proposed Ordinance’s major components including discussion regarding State housing law mandating identification of zoning districts that can accommodate factory-built/manufactured housing, transitional and supportive housing, single-room occupancy units (“SROs”), community care facilities for seven or more occupants, and emergency homeless shelters. (See Attachment 2.) Based on Commission discussion, staff had been directed to develop a draft Ordinance for consideration at an upcoming Commission meeting. As part of the commission’s direction, staff was also directed to provide additional information regarding the types of households that could be housed under the new housing categories as well as an estimate of the number of emergency homeless shelters that could be developed within the city based on the state requirements for maximum distance separation requirements between similar emergency homeless shelters.
4. On December 4, 2012, the Planning and Preservation Commission directed City planning staff to schedule the proposed ordinance implementing the 2008-2014 Housing Element’s Housing Implementation Program No. 11 for a public hearing in January 2013. Attachment 4 is the December 4, 2012 Staff Report to the Planning and Preservation Commission, which provides a detailed assessment of the proposed zone text amendment.
5. On January 8, 2013, the Planning and Preservation Commission held a duly noticed public hearing to consider the proposed Ordinance and associated environmental assessment related to Zone Text Amendment 2012-01. (See Attachment “C”.) As part of the Commission’s discussion, City staff answered questions regarding the State housing law as it relates to emergency homeless shelters and community care facilities as permitted and conditionally permitted uses within the respective zoning districts. Subsequent to discussion, the Commission recommended to the City Council approval of the Initial Study and Negative Declaration of environmental impact (Attachment “A”) and the proposed Ordinance (Attachment “B”) in order to comply with State housing law and ensure that the City’s zoning accurately reflects the land use policies as identified in the city’s 2008-2014 Housing Element Work Plan (Housing Implementation Program No. 11).

Adoption of an Ordinance Amending Chapter 106 and implementing Housing Element Program No. 11
Page 3

ANALYSIS:

Ordinance Overview. The City of San Fernando is considering adoption of comprehensive ordinance that provides zone text amendments that are necessary for the City to facilitate the provision of a variety of housing types to meet the housing needs of all economic segments of the community. These zoning revisions include:

- Identification of manufactured housing as a permitted use in the city's residential zones;
- Identification of appropriate residential zones for community care facilities with seven or more occupants, subject to a conditional use permit;
- Identification of SROs as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones subject to new development standards;
- Addition of transitional and supportive housing to the definitions section and listing them as a permitted uses within the city's residential zones; and,
- Identification of emergency homeless shelters as permitted uses in the M-2 (Light Industrial) zone. (2008-2014 Housing Element Objective; 2008-2014 Housing Element, V-15 (Housing Plan).)

The proposed zone text amendment would allow the city to be in compliance with Housing Implementing Program No. 11 (Zoning Ordinance Revisions) of the 2008-2014 General Plan Housing Element and Senate Bill 2 (Cedillo), which requires local jurisdictions to incorporate policies to permit the establishment of the aforementioned housing types. Furthermore, adoption of the proposed Ordinance amending the city's zoning code consistent with State housing law will ensure that each of the proposed housing types are located appropriately and developed in a manner that maintains the character of existing neighborhoods, industrial corridors and business districts.

The California Department of Housing and Community Development (HCD), has informed jurisdictions like the City of San Fernando that has a current housing element certified by HCD during the fourth planning cycle that the City is eligible to participate in a streamlined review process. In order to qualify for the streamlined review process, the city must complete the SB 2 related zone text amendments included as part of the proposed Ordinance prior to submittal of the draft 2013-2021 Housing Element to the HCD. HCD staff has indicated that HCD will not certify the fifth cycle housing element until all the required zone text amendments have been completed. Furthermore, failure to submit the draft 2013-2021 housing element to HCD by October 15, 2013 will result in the City being required to prepare future housing elements every four years. (Source: <http://www.hcd.ca.gov/hpd/>.)

Eligible Household Types. Per State law, populations eligible for the types of housing being proposed include adults with low-income having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services under the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500 of the Welfare and Institutions Code) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people.) (Source: Chapter 633, Statutes of 2007 (SB 2); May 7, 2008 Department of Housing and

Adoption of an Ordinance Amending Chapter 106 and implementing Housing Element Program No. 11
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Community Development Memorandum: Senate Bill 2—Legislation Effective January 1, 2008: Local Planning and Approval for Emergency Shelters and Transitional and Supportive Housing.)

Eligible households for homeless shelters include single males or females, and families. They may include homeless population who are mentally ill, developmentally disabled, veterans, runaways or emancipated foster youth, substance abusers, survivors of domestic violence, and other subpopulations of homeless considered significant by the city.

Transitional housing may be designated for a homeless individual or families transitioning to permanent housing. This housing can involve single family homes, including group housing or multi-family units, and may include supportive services to allow individuals to gain necessary life skills in support of independent living.

Supportive housing has no limit on length of stay for individuals and includes persons living with mental disabilities, HIV/AIDS, substance abuse or chronic health conditions or persons whose disabilities originated before the person turned 18. Services typically include assistance designed to meet the needs of the housed persons in order to retain housing, live and work within the community, and/or improve health and may include case management, mental health treatment, and life skills education/training.

Potential Sites Analysis. Per State law, local ordinances may establish a maximum 300-foot distance separation requirement between emergency homeless shelters. The proposed City ordinance would require a maximum 300-foot distance between emergency homeless shelters within the M-2 (Light Industrial) zone. Based on staff's analysis, thirteen (13) sites exist within the M-2 zone that are located along First Street (six sites) and Arroyo Avenue (seven sites) that meet the 300-foot distance separation requirement. Staff evaluated each potential site based on the following criteria: existing uses; duration of occupancy; value of land and building improvements; and the resulting cost per square foot. Based on this analysis, staff determined that the future development of more than one to two of these possible sites as a year-round emergency homeless shelter may not be financially feasible. (See Attachment No. 4 of Attachment "C": January 8, 2013, Planning and Preservation Commission Staff Report.)

As noted in the proposed Ordinance, the maximum number of beds allowed for an emergency homeless shelter shall be 50. Based on 2010 Census information, the number of persons identified as "group quarters (non-institutionalized population)" within the City of San Fernando is 46. (Source: U.S. Census Bureau, *American Fact Finder; Table QT-P12, Household Relationship and Group Quarters Population: 2010 Census Summary File 1.*) The U.S. Census Bureau classifies people not living in housing units as living in group quarters. There are two types of group quarters institutionalized (e.g., persons housed in correctional facilities, nursing homes, and hospice facilities) and non-institutional group quarters (e.g., college/university student housing, military quarters, and group homes). The non-institutional group quarters includes emergency and transitional shelters for people experiencing homelessness and group homes. (Source: <http://www.census.gov/prod/cen2010/doc/sf1.pdf>.)

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Multi-jurisdictional Agreements. The Commission, at their January 8, 2013 meeting, inquired about the feasibility of meeting the State requirements for a year-round emergency homeless shelter via a multi-jurisdictional agreement. (Government code Section 65583(4)(C).) The multi-jurisdictional agreement with a maximum of two participating jurisdictions would require a financial contribution from the City and any other participating jurisdiction to fund the development and the ongoing operation of the facility. State law requires an emergency homeless shelter developed under the multi-jurisdictional agreement to be developed within two years of the beginning of the planning cycle.

Per state housing element law, the ability to develop an emergency homeless shelter under a multi-jurisdictional agreement would have required both the agreement and the associated facility to be developed by 2010. In addition, City staff contacted the HCD in order verify whether a multi-jurisdictional agreement was an alternative to adopting a zone text amendment in order to allow emergency homeless shelters. Based on City staff's discussion with HCD staff, it was City staff's determination that a multi-jurisdictional agreement was no longer possible option available to the city to fulfill state housing law requirements as it relates to allowing for a year-round emergency homeless shelter within the City. HCD staff also informed City staff that no multi-jurisdictional agreements were established during the current housing element planning cycle.

State and Federal Law. California Government Code Section 655583 requires the City's housing element to identify adequate sites for a variety of housing types including factory-built/manufactured housing, transitional and supportive housing, single-room occupancy units ("SROs"), community care facilities for seven or more occupants, and emergency homeless shelters. Government Code Section 65583(a)(4) requires a city to identify one or more zones where emergency homeless shelters are allowed as permitted uses. The identified zone(s) must be able to accommodate at least one year-round emergency homeless shelter. Furthermore, Government Code Section 65583(a)(4)(D)(6), notes that "transitional and supportive housing shall be considered a residential use of property, and shall be subject only to those restrictions that apply to other residential dwellings of the same type in all the same zones."

State law also notes that manufactured or factory-built housing shall be regulated in the same manner as conventional or "stick-built" structures. Specifically, Government Code Section 65852.3(a) requires that, with the exception of architectural design guidelines, manufactured housing shall only be subject to the same development standards applicable to conventional residential dwellings including, but not limited to, such things as building setbacks, accessory structures provisions, building height maximums, minimum on-site parking requirements, and lot coverage limitations.

Furthermore, State and Federal law prohibit discrimination by local government and individuals based on race, color, religion, sex, familial status, marital status, national origin, ancestry or mental or physical disability. California Government Code Section 65008 forbids discrimination against affordable or multi-family housing development proposals, developers or potential residents using planning and zoning powers. Agencies are prohibited not only from exercising bias based on race, sex, age or religion, but from discriminating against developments because the development is subsidized or to be occupied by low or moderate income persons.

Adoption of an Ordinance Amending Chapter 106 and implementing Housing Element Program No. 11
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Environmental Review. The proposed Ordinance has been reviewed for compliance with the California Environmental Quality Act (CEQA). In accordance with the provisions of the CEQA Guidelines, it is staff's assessment that the proposed Ordinance helps ensure the City's compliance with applicable State housing law as it relates to required zone text amendments necessary to provide affordable housing for all economic segments of the community. Therefore, it is staff's assessment that the proposed Ordinance will not have the potential to have a significantly adverse impact on the environment. Based on this determination, no further environmental assessment is necessary.

CONCLUSION:

In light of the forgoing analysis, staff recommends that the City Council: (1) approve the Initial Study and Negative Declaration (Attachment "A"), which determined that the proposed Zone Text Amendment 2012-01 will not have a adverse significant impact on the environment; (2) introduce for first reading, in title only, and waive further reading of the attached Ordinance implementing said Zone Text Amendment 2012-01 (Attachment "B"); and "; and, (3) direct staff to provide for notice of a public hearing on the proposed adoption of the Ordinance at the City Council's March 18, 2013 meeting.

Adoption of the Ordinance will amend the city's zoning code and provide for manufactured housing, SROs, community care facilities serving seven or more occupants, emergency homeless shelters, and transitional and supportive housing as uses within the city's zoning code, subject to applicable zoning regulations. Furthermore, approval of the proposed zone text amendment will facilitate development of specific types of housing that serve special needs groups within the community.

BUDGET IMPACT:

The budget impact associated with the adoption of the proposed Ordinance amending Chapter 106 and implementing Housing Element Program No. 11 (Re: Zone Text Amendment 2012-01) has already been accounted for as part of the Fiscal Year 2012-2013 General Fund Budget. The cost associated for the project include the preparation of public notices, the environmental assessment, and the city attorney costs to work with staff on the proposed Ordinance.

ATTACHMENTS:

- A. Resolution
- B. Ordinance
- C. January 8, 2013 Staff Report to the Planning and Preservation Commission
- D. January 8, 2013 Planning and Preservation Commission Draft Summary Minutes

ATTACHMENT “A”**RESOLUTION NO. _____****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, ADOPTING AN INITIAL STUDY AND NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACT FOR THE PROPOSED ADOPTION OF AN ORDINANCE AMENDING CHAPTER 106 AND IMPLEMENTING HOUSING ELEMENT PROGRAM NO. 11**

WHEREAS, in 2007 the State legislature enacted SB 2, which requires local jurisdictions to incorporate policies into their General Plan Housing Elements to allow establishment of: Single Room Occupancy (“SRO”) units, Community Care Facilities, Emergency Homeless Shelters, Manufactured Housing, and Transitional and Supporting Housing as permitted or conditionally permitted uses in specified zoning districts and to amend local ordinances to implement such policies; and

WHEREAS, the City Council adopted the General Plan Housing Element in April 2009, which includes Housing Program No. 11 (Zoning Ordinance Revisions) that provides for the development of the appropriate definitions and regulations that would allow establishment of: SRO units as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones; Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones; Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zone, Manufactured Housing and Transitional Housing and Supportive Housing as permitted uses in all residential districts only subject to those development standards that apply to other residential uses of the same type in the same residential district;

WHEREAS, pursuant to the California Environmental Quality Act (CEQA) and the City of San Fernando’s CEQA Guidelines, the City of San Fernando as the Lead Agency overseeing the environmental review for the proposed Zone Text Amendment 2012-01 has prepared an Initial Study as part of the city’s environmental assessment in order to determine the nature and extent of the environmental review required for the proposed project and based on said environmental assessment has determined that any potential significant adverse environmental impacts associated with the project’s approval and implementation will be less than significant and has thus prepared a Negative Declaration;

WHEREAS, on January 8, 2013, the Planning and Preservation Commission held a properly noticed public hearing at which it received a report from City staff as well as oral and written testimony from the public, and deliberated the proposed zone text amendment and associated environmental assessment (“the Project”);

WHEREAS, the Planning and Preservation Commission’s findings and recommendations for approval to the City Council of the proposed zone text amendment and associated environmental assessment were memorialized in writing in the form of Planning and Preservation Commission Resolution 2013-01 on January 8, 2013. Based upon substantial evidence presented to the Planning and Preservation Commission on January 8, 2013, including public testimony, written materials and written and oral staff reports, with regard to the zone text

amendment, the Planning and Preservation Commission concurred with the City planning staff's determination that the amendments will not have a significant adverse impact on the environment as identified in the Initial Study and Negative Declaration and subsequently, recommended that the City Council adopt findings to that effect on January 8, 2013;

WHEREAS, the notice of the City Council hearing was given pursuant to San Fernando Municipal Code Section 106-72 and in compliance with Government Code Sections 65090 and 65091, a notice of public hearing for the proposed zone text amendments was advertised in the Los Angeles Daily Newspaper (a local paper of general circulation), more than ten (10) days prior to the scheduled public hearing before the City Council. In addition, the notice of intent to adopt a negative declaration and notice of public hearing before the City Council were posted in the City on January 7, 2013 and provided the public with an opportunity to provide public comments on the environmental assessment for more than 20 days as required under the CEQA; and,

WHEREAS, on February 19, 2013, the City Council held a duly noticed public hearing to consider the proposed Ordinance amending Chapter 106 and implementing Housing Element Program No. 11 otherwise identified as Zone Text Amendment No. 2012-01 and associated environmental impact assessment; evidence, both written and oral, was presented at the hearing.

WHEREAS, the City Council has considered the input and recommendations from the Planning Commission, staff and the public.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The City Council finds that all of the facts set forth in this Resolution are true and correct.

Section 2. The City has evaluated any potential environmental impacts associated with the implementation of the proposed Zone Text Amendment 2012-01 that would provide for the adoption of an Ordinance amending Chapter 106 (Zoning) in order to implement Housing Program No. 11 (Zoning Ordinance Revisions) of the City's General Plan 2008-2014 Housing Element. The Project provides for the development of the appropriate definitions and regulations that would allow establishment of: SRO units as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones; Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones; Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zone, and Manufactured Housing and Transitional and Supportive Housing as permitted uses in all residential districts only subject to those development standards that apply to other residential uses of the same type in the same residential district City Code.

An Initial Study and Negative Declaration of Environmental Impact have been prepared for the Project in accordance with the provisions of the California Environmental Quality Act (Public Resources Code Section 21000, et seq.), the State CEQA Guidelines (14 Code of Regulations

Section 15000, et seq.) and the City's CEQA procedures. The Initial Study and Negative Declaration for the Project are included as Exhibit "A" of this Resolution. Based upon the Initial Study, the proposed Negative Declaration and the comments thereon, the City Council finds that the Negative Declaration represents the independent judgment of the City and that there is no substantial evidence that the Project may have a significant effect on the environment. The documents constituting the record on which this decision is based are on file in the City.

Section 3. The City Council of the City of San Fernando does hereby adopt the Initial Study and Negative Declaration of environmental impact for Zone Text Amendment 2012-01, which includes a City Ordinance amending Chapter 106 and implementing Housing Element Program No. 11.

Section 4. This Resolution shall go into effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED this 19th day of February, 2013.

Antonio G. Lopez, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 19th day of February, 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Elena G. Chávez, City Clerk

DRAFT

**NEGATIVE DECLARATION &
INITIAL STUDY**

**ZONE TEXT AMENDMENT TO IMPLEMENT THE
HOUSING ELEMENT
SAN FERNANDO, CALIFORNIA**



LEAD AGENCY:

**CITY OF SAN FERNANDO
COMMUNITY DEVELOPMENT DEPARTMENT
117 MACNEIL STREET
SAN FERNANDO, CALIFORNIA 91340**

JANUARY 4, 2013

CITY OF SAN FERNANDO
NEGATIVE DECLARATION & INITIAL STUDY • ZONE TEXT AMENDMENT TO IMPLEMENT THE HOUSING ELEMENT

NEGATIVE DECLARATION

PROJECT NAME: Zone Text Amendment to Implement the Housing Element

PROJECT ADDRESS: City-wide

CITY AND COUNTY: San Fernando, Los Angeles County

PROJECT DESCRIPTION: The proposed Zone Text Amendment to the adopted Zoning Ordinance will ensure that the City of San Fernando attains its program requirements as noted in the City's 2008-2014 Housing Element. The objective of the Zone Text Amendment is to amend the zoning ordinance to make explicit provisions for manufactured housing, community care facilities, single room occupancy (SROs) units, transitional and supportive housing, and emergency homeless shelters. The changes will enable the City of San Fernando to comply with the requirements of SB-2 in addition to providing new opportunities for housing within the City that meets the housing needs of all economic segments of the community. The proposed revisions to the City Zoning Ordinance would allow for the introduction of SROs, community care facilities (housing seven or more persons), manufactured housing, emergency homeless shelters, and transitional and supportive housing units in a manner that complies with State law while providing the necessary development standards to ensure conformance to the City's zoning and building codes.

FINDINGS: The environmental analysis provided in the attached initial study indicates that the proposed project will not result in any significant adverse impacts. For this reason, the City of San Fernando has determined that a Negative Declaration is the appropriate environmental document for the proposed project. The following findings may be made based on the analysis contained in the attached initial study:

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

The findings of the analysis are summarized in the initial study that is attached to this Negative Declaration. The project is also described in greater detail in the attached initial study.

Signature



Date:

January 7, 2013

San Fernando Community Development Department

CITY OF SAN FERNANDO

NEGATIVE DECLARATION & INITIAL STUDY • ZONE TEXT AMENDMENT TO IMPLEMENT THE HOUSING ELEMENT

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CITY OF SAN FERNANDO

NEGATIVE DECLARATION & INITIAL STUDY • ZONE TEXT AMENDMENT TO IMPLEMENT THE HOUSING ELEMENT

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SECTION 1 INTRODUCTION

1.1 PURPOSE OF THIS INITIAL STUDY

This Initial Study evaluates the environmental impacts related to a Zone Text Amendment undertaken to implement the program requirements of the 2008-2014 City of San Fernando Housing Element. The State of California requires that all local governments (both cities and counties) prepare and maintain housing elements that identify strategies to conserve, rehabilitate, and provide housing to meet the existing and projected needs of the community. The Zone Text Amendment is an integral program in the City of San Fernando Housing Element that was adopted in 2009. The Zone Text Amendment is considered to be a *project* pursuant to the California Environmental Quality Act (CEQA). As part of the review of the Zone Text Amendment, the City of San Fernando has authorized the preparation of this Initial Study, the primary purpose of which is to ensure that decision-makers and the public understand the environmental implications of the Zone Text Amendment prior to its approval. Other uses of this Initial Study include the following:

- To provide the City with information to use as the basis for deciding whether to prepare an environmental impact report (EIR) for the Zone Text Amendment;
- To facilitate environmental assessment and review in the early stages of the Zone Text Amendment's preparation; and,
- To provide documentation in support of findings that a particular environmental issue will not be significantly affected by the Zone Text Amendment's implementation.

1.2 ORGANIZATION OF THE INITIAL STUDY

The format and structure of this Initial Study generally reflects that of the Initial Study Checklist, provided on the pages that follow. The following annotated outline summarizes the contents of this Initial Study:

- *Section 1 Introduction*, provides the procedural context surrounding this Initial Study's preparation and insight into its composition.
- *Section 2 Project Description*, provides an overview of the City of San Fernando and summarizes the proposed Zone Text Amendment.
- *Section 3 Environmental Analysis* includes an analysis of potential impacts associated with the adoption and subsequent implementation of the Zone Text Amendment.
- *Section 4 Findings* indicates how the Zone Text Amendment might yield, or have the potential to yield, a significant effect upon one or more of the issue areas analyzed in this Initial Study.
- *Section 5 References*, identifies the sources used in the preparation of this Initial Study.

The findings of this Initial Study are summarized in Table 1 provided on the following pages.

CITY OF SAN FERNANDO

NEGATIVE DECLARATION & INITIAL STUDY • ZONE TEXT AMENDMENT TO IMPLEMENT THE HOUSING ELEMENT

Table 1
Summary (Initial Study Checklist)

Environmental Issues Area Examined	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
Section 3.1 Aesthetic Impacts. <i>Would the project:</i>				
a) Have a substantial adverse affect on a scenic vista?				✗
b) Substantially damage scenic resources, including but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				✗
c) Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?				✗
Section 3.2 Agriculture and Forestry Resources Impacts. <i>Would the project:</i>				
a) Convert Prime Farmland, Unique Farmland or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?				✗
b) Conflict with existing zoning for agricultural use, or a Williamson Act Contract?				✗
c) Would the project conflict with existing zoning for or cause rezoning of, forest land (as defined in Public Resources Code §4526), or zoned timberland production (as defined by Government Code §51104[g])?				✗
d) Would the project result in the loss of forest land or the conversion of forest land to a non-forest use?				✗
e) Involve other changes in the existing environment that, due to their location or nature, may result in conversion of farmland to non-agricultural use?				✗
Section 3.3 Air Quality Impacts. <i>Would the project:</i>				
a) Conflict with or obstruct implementation of the applicable air quality plan?				✗
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?				✗
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is in non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions, which exceed quantitative thresholds for ozone precursors)?				✗
d) Expose sensitive receptors to substantial pollutant concentrations?				✗
e) Create objectionable odors affecting a substantial number of people?				✗

CITY OF SAN FERNANDO

NEGATIVE DECLARATION & INITIAL STUDY • ZONE TEXT AMENDMENT TO IMPLEMENT THE HOUSING ELEMENT

Table 1
Summary (Initial Study Checklist)

Environmental Issues Area Examined	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
Section 3.4 Biological Resources Impacts. <i>Would the project have a substantial adverse effect:</i>				
a) Either directly or through habitat modifications, on any species identified as a candidate, sensitive or special status species in local or regional plans, policies or regulations, or by the California Department of Fish and Game or U. S. Fish and Wildlife Service?				✗
b) On any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				✗
c) On federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				✗
d) In interfering substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory life corridors, or impede the use of native wildlife nursery sites?				✗
e) In conflicting with any local policies or ordinances, protecting biological resources, such as a tree preservation policy or ordinance?				✗
f) By conflicting with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				✗
Section 3.5 Cultural Resources Impacts. <i>Would the project:</i>				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5 of the CEQA Guidelines?				✗
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5 of the CEQA Guidelines?				✗
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				✗
d) Disturb any human remains, including those interred outside of formal cemeteries?				✗
Section 3.6 Geology Impacts. <i>Would the project result in or expose people to potential impacts involving:</i>				
a) The exposure of people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving rupture of a known earthquake fault (as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault), ground-shaking, liquefaction, or landslides?				✗

CITY OF SAN FERNANDO

NEGATIVE DECLARATION & INITIAL STUDY • ZONE TEXT AMENDMENT TO IMPLEMENT THE HOUSING ELEMENT

Table 1
Summary (Initial Study Checklist)

Environmental Issues Area Examined	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
b) Substantial soil erosion or the loss of topsoil?				×
c) Location on a geologic unit or a soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?				×
d) Location on expansive soil, as defined in California Building Code (2010), creating substantial risks to life or property?				×
e) Soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?				×
Section 3.7 Greenhouse Gas Emissions Impacts. <i>Would the project</i>				
a) Result in the generation of greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?				×
b) Increase the potential for conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing emissions of greenhouse gasses?				×
Section 3.8 Hazards and Hazardous Materials Impacts. <i>Would the project:</i>				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?				×
b) Create a significant hazard to the public or the environment or result in reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?				×
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?				×
d) Be located on a site, which is included on a list of hazardous material sites compiled pursuant to Government Code Section 65962.5, and as a result, would it create a significant hazard to the public or the environment?				×
e) Be located within an airport land use plan, or where such a plan has not been adopted, within two miles of a public airport or a public use airport, would the project result in a safety hazard for people residing or working in the project area?				×
f) Within the vicinity of a private airstrip, result in a safety hazard for people residing or working in the project area?				×
g) Impair implementation of, or physically interfere with, an adopted emergency response plan or emergency response plan or emergency evacuation plan?				×

CITY OF SAN FERNANDO

NEGATIVE DECLARATION & INITIAL STUDY • ZONE TEXT AMENDMENT TO IMPLEMENT THE HOUSING ELEMENT

Table 1
Summary (Initial Study Checklist)

Environmental Issues Area Examined	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
h) Expose people or structures to a significant risk of loss, injury, or death involving wild lands fire, including where wild lands are adjacent to urbanized areas or where residences are intermixed with wild lands?				×
Section 3.9 Hydrology and Water Quality Impacts. Would the project:				
a) Violate any water quality standards or waste discharge requirements?				×
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge in such a way that would cause a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				×
c) Substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner, which would result in substantial erosion or siltation on- or off-site?				×
d) Substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner that would result in flooding on- or off-site?				×
e) Create or contribute runoff water, which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?				×
f) Substantially degrade water quality?				×
g) Place housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				×
h) Place within a 100-year flood hazard area, structures that would impede or redirect flood flows?				×
i) Expose people or structures to a significant risk of flooding because of dam or levee failure?				×
j) Result in inundation by seiche, tsunami, or mudflow?				×
Section 3.10 Land Use and Planning Impacts. Would the project:				
a) Physically divide an established community, or otherwise result in an incompatible land use?				×

CITY OF SAN FERNANDO

NEGATIVE DECLARATION & INITIAL STUDY • ZONE TEXT AMENDMENT TO IMPLEMENT THE HOUSING ELEMENT

Table 1
Summary (Initial Study Checklist)

Environmental Issues Area Examined	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
b) Conflict with an applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to, a general plan, proposed project, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				×
c) Conflict with any applicable habitat conservation or natural community conservation plan?				×
Section 3.11 Mineral Resources Impacts. Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				×
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, proposed project, or other land use plan?				×
Section 3.12 Noise Impacts. Would the project result in:				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?				×
b) Exposure of people to or generation of excessive ground-borne noise levels?				×
c) Substantial permanent increase in ambient noise levels in the project vicinity above noise levels existing without the project?				×
d) Substantial temporary or periodic increases in ambient noise levels in the project vicinity above levels existing without the project?				×
e) For a project located with an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				×
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				×
Section 3.13 Population and Housing Impacts. Would the project:				
a) Induce substantial growth in an area either directly or indirectly (e.g., through projects in an undeveloped area or extension of major infrastructure)?				×
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				×

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Table 1
Summary (Initial Study Checklist)

Environmental Issues Area Examined	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				×
Section 3.14 Public Services Impacts. <i>Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives in any of the following areas:</i>				
a) Fire protection services?				×
b) Police protection services?				×
c) School services?				×
d) Other governmental services?				×
Section 3.15 Recreation Impacts. <i>Would the project:</i>				
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?				×
b) Affect existing recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?				×
Section 3.16 Transportation Impacts. <i>Would the project:</i>				
a) Cause a conflict with an applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to, intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit)?				×
b) Exceed, either individually or cumulatively, a level of service standard established by the County Congestion Management Agency for designated roads or highways?				×
c) A change in air traffic patterns, including either an increase in traffic levels or a change in the location that results in substantial safety risks?				×
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)				×
e) Result in a conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?				×

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Table 1
Summary (Initial Study Checklist)

Environmental Issues Area Examined	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
f) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?				×
Section 3.17 Utilities Impacts. <i>Would the project:</i>				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				×
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental impacts?				×
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				×
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?				×
e) Result in a determination by the wastewater treatment provider that serves or may serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?				×
f) Be served by a landfill with insufficient permitted capacity to accommodate the project's solid waste disposal needs?				×
g) Comply with federal, state, and local statutes and regulations related to solid waste?				×
h) Result in a need for new systems, or substantial alterations in power or natural gas facilities?				×
i) Result in a need for new systems, or substantial alterations in communication systems?				×
Section 3.18 Mandatory Findings of Significance. <i>The approval and subsequent implementation of the proposed project:</i>				
a) Will not have the potential to degrade the quality of the environment, with the implementation of the recommended standard conditions and mitigation measures included herein.				×
b) Will not have the potential to achieve short-term goals to the disadvantage of long-term environmental goals, with the implementation of the recommended standard conditions and mitigation measures referenced herein.				×

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Table 1
Summary (Initial Study Checklist)

Environmental Issues Area Examined	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
c) Will not have impacts that are individually limited, but cumulatively considerable, when considering planned or proposed development in the immediate vicinity, with the implementation of the recommended standard conditions and mitigation measures contained herein.				×
d) Will not have environmental effects that will adversely affect humans, either directly or indirectly, with the implementation of the recommended standard conditions and mitigation measures contained herein.				×



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SECTION 2 PROJECT DESCRIPTION

2.1 PROJECT LOCATION & SETTING

The proposed “project” involves the approval and subsequent implementation of the Zone Text Amendment that is required to implement the City of San Fernando Housing Element. The City of San Fernando is located in the northeast portion of the San Fernando Valley in Los Angeles County. The City has a total land area of 2.42 square miles and is surrounded by the City of Los Angeles on all sides. Major physiographic features located near the City include the San Gabriel Mountains (located approximately 3 miles to the north), the Pacoima Wash (located along the eastern side of the City), Hansen Lake (located 3 miles to the southeast of the City), and the Los Angeles Reservoir (located approximately 4 miles to the northwest).¹ The City of San Fernando is located 22 miles from downtown Los Angeles. Other communities located near San Fernando include Sylmar, Sun Valley, Mission Hills, and Pacoima.² These latter named communities are also part of the City of Los Angeles.

Regional access to the City of San Fernando is possible from three freeways located in the area: the Interstate 5 Freeway (I-5), the State Route 118 (SR-118), and the Interstate 210 Freeway (I-210). The I-5 Freeway is located to the southwest of the City with ramp connections at South Brand Boulevard and San Fernando Mission Boulevard. State Route 118 (the Ronald Reagan Freeway) is located to the east of the City and has ramp connections at San Fernando Road and Glenoaks Boulevard. Finally, the I-210 Freeway is located to the north of the City and provides ramp connections at Maclay Street and Hubbard Street.³ The location of the City in a regional context is shown in Exhibit 1. A Citywide map is provided in Exhibit 2.

2.2 PROJECT DESCRIPTION

The proposed Zone Text Amendment to the adopted Zoning Ordinance will ensure that the City of San Fernando attains its program requirements as noted in the City’s 2008-2014 Housing Element. The objective of the Zone Text Amendment is to amend the zoning ordinance to make explicit provisions for manufactured housing, community care facilities, single room occupancy (SROs) units, transitional and supportive housing, and emergency homeless shelters. The changes will enable the City of San Fernando to comply with the requirements of SB-2 in addition to providing new opportunities for housing within the City that meets the housing needs of all economic segments of the community. The proposed revisions to the City Zoning Ordinance would allow for the introduction of SROs, community care facilities (housing seven or more persons), manufactured housing, emergency homeless shelters, and transitional and supportive housing units in a manner that complies with State law while providing the necessary development standards to ensure conformance to the City’s zoning and building codes. The following amendments to the Zoning Ordinance are proposed:

- *Section 106-6* Definitions of the San Fernando City Code was revised to include definitions of community care facility (including large and small facilities), child day care facility, emergency homeless shelter, single room occupancy (SRO) unit, supportive housing, and transitional housing. The new definitions are outlined below as they appear in the Revised Zoning Ordinance:

¹ United States Geological Survey. San Fernando 7 ½ Minute Quadrangle.

² These communities are communities that are part of the City of Los Angeles.

³ American Map Corporation. Street Atlas [for] Los Angeles and Orange Counties. 2001.

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Community Care Facility/Large means any facility as defined in the Health and Safety Code Section 1502(a) which provides non-medical care on a 24-hour a day basis to seven or more persons including, but not limited to persons with substance abuse illnesses, physically handicapped, mentally impaired, incompetent persons, and abused or neglected children. Large Community Care Facility shall be considered a conditionally permitted use within all residential zoned districts.

Community Care Facility/Small means any facility as defined in the Health and Safety Code Section 1502(a), which provides non-medical care on a 24-hour a day basis to six or less persons including, but not limited to persons with substance abuse illnesses, physically handicapped, mentally impaired, incompetent persons, and abused or neglected children. Small Community Care Facility shall be considered a permitted use within all residential zoned districts.

Child Day Care Facility means a facility that provides non-medical care to children under 18 years of age in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of individuals on a less than a 24-hour basis. Child Day Care Facility includes day care centers, employer-sponsored child day centers, and family day care centers.

Emergency Homeless Shelter means housing with minimal supportive services for homeless persons that is limited to occupancy of six months per calendar year or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. (Health and Safety Code Section 50801[e]). Supportive services may include, but are not limited to, meal preparation, an activities center, day care for homeless person's children, vocational rehabilitation and other similar activities.

Single Room Occupancy Unit (SRO) means any building containing five or more guestrooms or units intended or designed to be used, or which are used, rented, or hired out, to be occupied, or which are occupied, for sleeping purposes by residents, which is also the primary residence of those residents. The individual units shall lack either cooking facilities or individual sanitary facilities, or both. However, for purposes of this definition, an SRO does not include residential care homes, senior housing projects, rooming and boarding houses, hotels and motels, bed and breakfast lodging, extended-care facilities or hospitals.

Supportive Housing means housing with no limit on the length of stay and that is occupied by a target population as defined by Health and Safety Code Section 53260(d), as the same may be amended from time to time, and that provides a significant level of on-site and off-site services that assist the supportive housing residents in retaining the housing, improving their health status, maximizing their ability to live, and when possible, work in the community. Supportive housing shall be treated under this chapter as a residential use and shall be allowed as a permitted use in all residential zoning districts.

Transitional Housing means housing operated under program requirements that call for 1) the termination of any assistance to an existing program recipient and 2) the subsequent recirculation of the assisted residential unit to another eligible program recipient at some predetermined future point in time, which point in time shall be no less than six months into the future (Health and

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Safety Code Section 50675.2p[h]). Transitional housing may provide, but not be limited to, meals, counseling, and other services as well as common areas for residents. Transitional Housing may be provided under all residential housing types. In all cases, Transitional Housing shall be treated as a residential use under this chapter and shall be subject only to those restrictions that apply to other residential uses of the same residential housing type located in the same zoning district.

- *Section 106-352* Permitted uses in the R-1 Single-Family Residential Zone was revised so that the following uses were added as being permitted:

(2) Community Care Facilities/Small.

(10) Supportive Housing.

(12) Transitional Housing.

- *Section 106-353* Uses permitted subject to a conditional use permit in the R-1 Single-Family Residential Zone was revised so that the following conditionally permitted uses were added:

(5) Community Care Facilities/Large.

- *Section 106-488* Conditionally permitted uses within the C-1 Limited Commercial Zone was revised so that the following conditionally permitted uses were added:

(8) Hotels and motels including Single Room Occupancy Unit (SRO) subject to the development standards noted in Section 106-971 of this chapter.

- *Section 106-612* Permitted uses within the M-2 Light Industrial Zone was amended to include the following:

Emergency homeless shelters subject to the development standards noted in Section 106-972 of this chapter.

- *Section 106-971* was amended to include the following standards for SROs:

In the City's C-1 (Limited Commercial) and C-2 (Commercial) Zones, a Single Room Occupancy Unit (SRO) shall be subject to the applicable regulations of this division, including the following standards:

(1) *Unit Size.* The minimum size of a unit shall be one hundred fifty (150) square feet and the maximum size shall be four hundred (400) square feet. A single room occupancy facility is not required to meet density standards of the general plan.

(2) *Bathroom Facilities.* An SRO unit is not required to but may contain partial or full bathroom facilities. A partial bathroom facility shall have at least a toilet and sink; a full facility shall have a toilet, sink, and bathtub, shower, or bathtub/shower combination. If a full bathroom facility is not provided, common bathroom facilities shall be provided in accordance with California Building Code for congregate residences with at least one full bathroom per every three units on a floor. The shared shower or bathtub facility shall be accessible from a

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common area or hallway and shall be provided with an interior lockable door.

- (3) *Kitchen.* An SRO unit is not required to but may contain partial or full kitchen facilities. A full kitchen includes a sink, a refrigerator, and a stove, range top, or oven. A partial kitchen is missing at least one of these appliances. If a full kitchen is not provided, common kitchen facilities shall be provided with at least one full kitchen per floor.
 - (4) *Closet.* Each SRO shall have a separate closet.
 - (5) *Common Area.* Four square feet of interior common space per unit shall be provided, with at least two hundred (200) square feet in area of interior common space, excluding janitorial storage, laundry facilities, and common hallways. All common areas shall comply with all applicable ADA accessibility and adaptability requirements.
 - (6) *Laundry Facilities.* Laundry facilities shall be provided in a separate room at the ratio of one washer and dryer for every ten (10) units, with at least one washer and dryer per floor.
 - (7) *Cleaning Supply Room.* A cleaning supply room or utility closet with a wash tub with hot and cold running water shall be provided on each floor of the SRO facility.
 - (8) *Management Plan.* A management plan shall be submitted with the development application for an SRO facility and shall be approved by the Chief Planning Official. The management plan must address management and operation of the facility, rental procedures, safety and security of the residents and building maintenance.
 - (9) *Facility Management.* An SRO facility with ten (10) or more units shall have an on-site manager. An SRO facility with less than ten (10) units shall provide a management office on-site.
 - (10) *Parking.* Parking shall be provided for an SRO facility at a rate of one standard-size parking space per unit as defined in Section 106-829(1) of this chapter, plus an additional standard-size parking space for the on-site manager.
 - (11) *Accessibility.* All SRO facilities shall comply with all applicable ADA accessibility and adaptability requirements.
 - (12) *Existing Structures.* An existing structure may be converted to an SRO facility, consistent with the provisions of this section.
- *Section 106-972* of the Zoning Ordinance was previously reserved and was amended to read as follows:

In the City's M-2 (Light Industrial) Zone, an Emergency Homeless Shelter shall be subject to the applicable regulations of this division, including the following standards:

- (1) *Maximum Number of Persons/Beds.* The shelter for the homeless shall contain a maximum of 50 beds and shall serve no more than 50 homeless persons.

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- (2) *Lighting.* Adequate external lighting shall be provided for security purposes. The lighting shall be stationary, directed away from adjacent properties and public rights-of-way, and of an intensity compatible with the neighborhood.
- (3) *Laundry Facilities.* The development shall provide laundry facilities adequate for the number of residents.
- (4) *Common Facilities.* The development may provide supportive services for homeless residents, including but not limited to: central cooking and dining room(s), recreation room, counseling center, child care facilities, and other support services.
- (5) *Security.* Parking facilities shall be designed to provide security for residents, visitors, and employees.
- (6) *Landscaping.* On-site landscaping shall be installed and maintained pursuant to the standards outlined in Section 106-833.
- (7) *On-Site Parking.* On-site parking for homeless shelters shall be subject to requirements for similarly zoned industrial uses as set forth in Section 106-822(d)(1).
- (8) *Outdoor Activity.* For the purposes of noise abatement in surrounding residential zoning districts, outdoor activities may only be conducted between the hours of 8:00 a.m. to 10:00 p.m.
- (9) *Concentration of Uses.* No more than one shelter for the homeless shall be permitted within a radius of 300 feet from another such shelter.
- (10) *Refuse.* Homeless shelters shall provide a trash storage area as required pursuant to Section 106-897(1) through Section 106-897(3).
- (11) *Health and Safety Standards.* The shelter for the homeless must comply with all standards set forth in Title 25 of the California Administrative Code (Part 1, Chapter F, Subchapter 12, Section 7972).
- (12) *Shelter Provider.* The agency or organization operating the shelter shall comply with the following requirements:
 - a. Temporary shelter shall be available to residents for no more than six months if no alternative housing is available.
 - b. Staff and services shall be provided to assist residents to obtain permanent shelter and income. Such services shall be available at no cost to all residents of a provider's shelter or shelters.
 - c. The provider shall not discriminate in any services provided.
 - d. The provider shall not require participation by residents in any religious or

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philosophical ritual, service, meeting or rite as a condition of eligibility.

- e. The provider shall have a written management plan including, as applicable, provisions for staff training, neighborhood outreach, security, screening of residents to insure compatibility with services provided at the facility, and for training, counseling, and treatment programs for residents.

2.3 DISCRETIONARY ACTIONS

The following discretionary approvals will be required:

- The Zone Text Amendment will undergo public review before the Planning and Preservation Commission and the City Council.
- The Zone Text Amendment is a project pursuant to CEQA. As a result, the City Council must approve the Negative Declaration as part of its deliberations.



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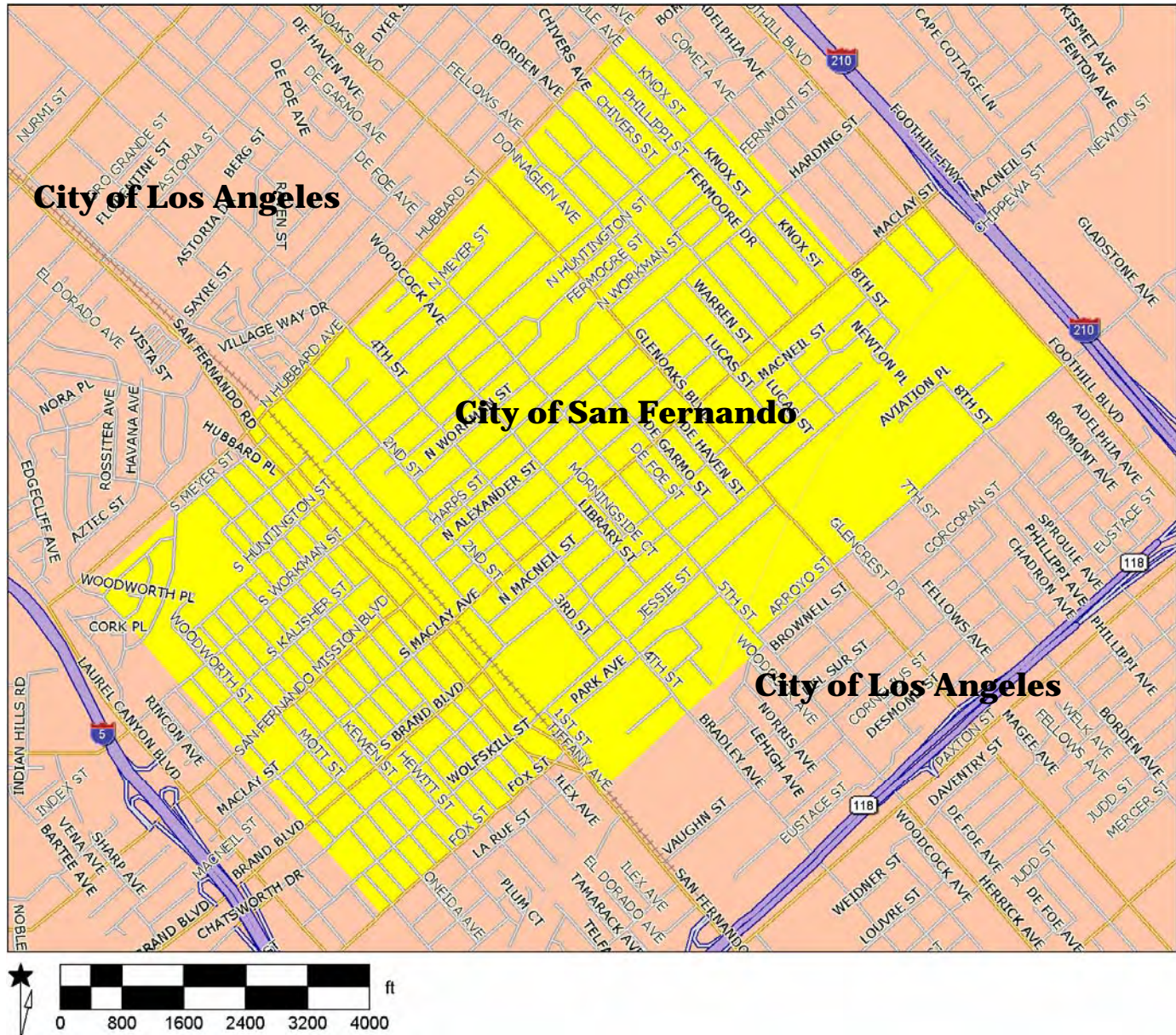


EXHIBIT 2
MAP OF THE CITY OF SAN FERNANDO

Source: City of San Fernando

SECTION 3 ENVIRONMENTAL ANALYSIS

This section of the Initial Study analyzes the potential environmental impacts that may result from the adoption and subsequent implementation of the Zone Text Amendment described herein in Section 2. The issue areas evaluated in this Initial Study include the following:

- Aesthetics (Section 3.1);
- Agricultural & Forestry Resources (Section 3.2);
- Air Quality (Section 3.3);
- Biological Resources (Section 3.4);
- Cultural Resources (Section 3.5);
- Geology & Soils (Section 3.6);
- Greenhouse Gas Emissions; (Section 3.7);
- Hazards & Hazardous Materials (Section 3.8);
- Hydrology & Water Quality (Section 3.9);
- Land Use & Planning (Section 3.10);
- Mineral Resources (Section 3.11);
- Noise (Section 3.12);
- Population & Housing (Section 3.13);
- Public Services (Section 3.14);
- Recreation (Section 3.15);
- Transportation (Section 3.16);
- Utilities (Section 3.17); and,
- Mandatory Findings (Section 3.18).

For the evaluation of potential impacts, the questions in the Initial Study Checklist are stated, and an answer is provided according to the analysis undertaken as part of the Initial Study's preparation. To each question, there are four possible responses:

- *No Impact.* The Zone Text Amendment will not lead to actions and/or development that will have a measurable environmental impact on the environment, and no further analysis is required.
- *Less Than Significant Impact.* The Zone Text Amendment may have the potential for impacting the environment, although these impacts are likely to be below levels or thresholds that the City of San Fernando or other responsible agencies consider to be significant.
- *Potentially Significant Impact.* The Zone Text Amendment may have the potential to generate effects which the City of San Fernando considers to represent a significant impact on the environment. However, mitigation measures that will be effective in reducing impacts to levels that are less than significant have been recommended.
- *Significant Adverse Impact.* The Zone Text Amendment may, or is known to, represent impacts that are considered significant, and additional analysis is required to identify mitigation measures.

The City, through the preparation of this Initial Study, determined that no significant adverse unmitigable impacts would occur as a result of the Zone Text Amendment's adoption and subsequent implementation.

3.1 AESTHETICS

According to the City of San Fernando, acting as Lead Agency, a project may be deemed to have a significant adverse aesthetic impact if it results in any of the following:

- An adverse effect on a scenic vista;
- Substantial damage to scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway; or
- A new source of substantial light and glare which would adversely affect day or nighttime views in the area.

A. Would the project affect a scenic vista? No Impact.

The City's local relief is generally level and ranges from 1,017 feet above mean sea level (AMSL) to 1,250 feet AMSL. This generally level topography is due to the City's location over an alluvial fan that is the result of the deposition of water-borne materials from the mountain and hillside areas located to the north of San Fernando (the City is located in the northeastern portion of the San Fernando Valley near the south-facing base of the San Gabriel Mountains).⁴ The City of San Fernando General Plan has not designated any local roadways as "scenic highways." Future residential development contemplated as part of the Housing Element's implementation and the Zone Text Amendment will result in the replacement of older, deteriorating improvements with newer structures. No scenic vistas are present in the vicinity of the potential development sites. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

B. Would the project substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? No Impact.

Much of the City's architectural character was derived from the San Fernando Mission, founded in 1797. Notable historically significant buildings that are located within the City include the Casa de Lopez Adobe, the Morningside Elementary School Auditorium, and the historic Post Office. In addition to the Mission Revival style, other architectural styles found within the area include Spanish Colonial Revival, Mediterranean, and Monterey. Other architectural influences present in the area include Craftsman, Bungalow, Beaux-Arts, Art Deco, and Victorian styles. These architectural styles also flourished at the turn of the century primarily in residential construction, with a few commercial and public buildings exhibiting these design characteristics as well. The potential residential development sites that may occur as part of the Housing Element's implementation will be subject to all pertinent regulations governing historic resources. No natural undeveloped areas remain within any of the candidate development sites. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

⁴ City of San Fernando. *San Fernando Parking Lots Draft Environmental Impact Report*. February 20, 2008.

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C. Would the project create a new source of substantial light or glare that would adversely affect day or nighttime views in the area? No Impact.

Potential sources of light and glare that may result from future residential development may include new decorative lighting in the new commons, new security lighting, interior lighting, and vehicle headlights. Unprotected lighting, in the absence of mitigation, could impact existing residences located near the prospective development sites. All new lighting must conform to the City's development standards (Chapter 106-834, Lighting) that include a foot-candle map illustrating the amount of light from the project site at adjacent light sensitive receptors. The outdoor lighting plan will also be subject to final review and approval by the Community Development Department. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

3.2 AGRICULTURE AND FORESTRY RESOURCES

According to the City of San Fernando, acting as Lead Agency, a project may be deemed to have a significant impact on agriculture resources if it results in any of the following:

- The conversion of prime farmland, unique farmland or farmland of statewide importance;
- A conflict with existing zoning for agricultural use or a Williamson Act Contract;
- A conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code §4526), or zoned timberland production (as defined by Government Code §51104[g]);
- The loss of forest land or the conversion of forest land to a non-forest use; or,
- Changes to the existing environment that due to their location or nature may result in the conversion of farmland to non-agricultural uses.

A. Would the project convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? No Impact.

No lands within the City are designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. Future residential development contemplated as part of the Zone Text Amendment's implementation will not impact any land areas designated for agricultural production. As a result, no impacts on these soil resources will result from the Zone Text Amendment's adoption and subsequent implementation.

B. Would the project conflict with existing zoning for agricultural use or a Williamson Act Contract? No Impact.

There are no parcels located within the City that are subject to a Williamson Act Contract. As a result, no impacts on existing Williamson Act Contracts will result from the Zone Text Amendment's adoption and subsequent implementation.

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C. Would the project conflict with existing zoning for or cause rezoning of, forest land (as defined in Public Resources Code Section 4526), or zoned timberland production (as defined by Government Code § 51104[g])? No Impact.

No agricultural activities or farmland uses are located within the City, nor does the City of San Fernando General Plan contain any agricultural land use designation. The Zone Text Amendment's implementation will not result in the conversion of any existing farmland to urban uses, since there are no sites in the City in agricultural use. As a result, no farmland conversion impacts will result from the Zone Text Amendment's adoption and subsequent implementation.

D. Would the project result in the loss of forest land or the conversion of forest land to a non-forest use? No Impact.

No forest lands are found within the City of San Fernando nor does the applicable General Plan land use designations provide for any forest land protection. No loss or conversion of existing forest lands will result from the implementation of the Zone Text Amendment. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

E. Would the project involve other changes in the existing environment that, due to their location or nature, may result in conversion of farmland to non-agricultural use? No Impact.

No agricultural activities or farmland uses are located within the City of San Fernando. The future residential development contemplated as part of the Zone Text Amendment's implementation will not involve the conversion of any existing farmland area to urban uses. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

3.3 AIR QUALITY

According to the City of San Fernando, acting as Lead Agency, an action or project will normally have a significant adverse environmental impact on air quality, if it results in any of the following:

- The project results in a conflict with, or obstructs the implementation of, the applicable air quality plan;
- A violation of an air quality standard or contributes substantially to an existing or projected air quality violation;
- A cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard;
- The exposure of sensitive receptors to substantial pollutant concentrations; or
- The creation of objectionable odors.

The South Coast Air Quality Management District (SCAQMD) has also established daily emissions thresholds for a number of criteria pollutants. These thresholds include: 550 pounds of carbon monoxide (CO), 55 pounds of nitrogen oxides (NO_x), 150 pounds of sulfur dioxide (SO_x), 55 pounds of reactive organic gases

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(ROG), and 150 pounds of PM₁₀ particulates. These thresholds apply to both short-term (construction-related) emissions and long-term (operational) emissions.

A. Would the project conflict with or obstruct implementation of the applicable air quality plan? No Impact.

The City of San Fernando is located within the South Coast Air Basin which covers a 6,600 square-mile area within Orange County and the non-desert portions of Los Angeles County, Riverside County, and San Bernardino County. Air quality in the basin is monitored by the South Coast Air Quality Management District (SCAQMD) at various monitoring stations located throughout the area. Measures to improve regional air quality are outlined in the SCAQMD's Air Quality Management Plan (AQMP). The 2007 AQMP replaced the 2003 AQMP and is designed to meet both State and Federal Clear Air Act planning requirements for all of the geographic areas under the jurisdiction of the SCAQMD, including the South Coast Air Basin (Los Angeles County, Orange County, San Bernardino County, and Riverside County) and the Riverside County portion of the Salton Sea Air Basin (including the Coachella Valley). The most recent 2007 AQMP focused on the control of ozone and smaller particulates and their precursors. The AQMP also incorporated significant new scientific data, emission inventories, ambient measurements, control strategies, and air quality modeling. The Final 2007 AQMP was jointly prepared with the California Air Resources Board (CARB) and the Southern California Association of Governments (SCAG).

The adoption and implementation of the Zone Text Amendment will result in operational emissions that would be associated with new residential development. However, the Regional Housing Need Assessment (RHNA) represents a mandate required by the State of California for every city and county. The City is obligated under State law, to fulfill the RHNA requirements that have been assigned to it. As part of the RHNA's development, SCAG relied on growth projections developed as part of the Regional Transportation Plan (RTP). These growth projections were evaluated in the environmental studies prepared for both the RHNA and RTP. As a result, the Zone Text Amendment's subsequent implementation will not result in any significant adverse impacts on growth projections for the City.

B. Would the project violate any air quality standard or contribute substantially to an existing or projected air quality violation? No Impact.

The potential short-term air quality impacts associated with future residential development include construction equipment emissions, vehicle emissions, emissions from power generation, and fugitive dust from demolition, excavation, grading, and debris transport. As indicated previously, the long-term operational impacts, related to both stationary and mobile (vehicle) emissions, will occur following the occupancy of the new residential development envisioned as part of the Housing Element's implementation. The City is obligated under State law, to fulfill the RHNA requirements that have been assigned to it. As part of the RHNA's development, SCAG relied on growth projections developed as part of the Regional Transportation Plan (RTP). These growth projections were evaluated in the environmental studies prepared for both the RHNA and RTP. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

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- C. Would the project result in a cumulatively considerable net increase of any criteria pollutant for which the project region is in non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? No Impact.*

Future residential development associated with the adoption and subsequent implementation of the Zone Text Amendment will result in both short-term (construction-related) and long-term (operational) impacts. The new residential development that would occur as part of the Zone Text Amendment's implementation are envisioned as part of the San Fernando General Plan and the most recently adopted Housing Element. As a result, the potential impacts are considered to be less than significant. In addition, the City is obligated under State law to fulfill the RHNA requirements that have been assigned to it. As indicated previously, SCAG relied on growth projections developed as part of the RTP. These growth projections were evaluated in the environmental studies prepared for both the RHNA and RTP. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- D. Would the project expose sensitive receptors to substantial pollutant concentrations? No Impact.*

Sensitive receptors refer to land uses and/or activities that are especially sensitive to poor air quality and typically include homes, schools, playgrounds, hospitals, convalescent homes, and other facilities where children or the elderly may congregate.⁵ These population groups are generally more sensitive to poor air quality. The following are applicable local emission concentration standards for carbon monoxide: California one-hour carbon monoxide standard of 20.0 ppm; or, California eight-hour carbon monoxide standard of 9.0 ppm. The potential traffic generation will not be significant enough to result in the creation of a carbon monoxide "hot spot" that could lead to an exceedance of the state's 1-hour or 8-hour carbon monoxide standards. As previously stated, the new residential development that would occur as part of the Zone Text Amendment's implementation are envisioned as part of the San Fernando General Plan and the most recently adopted Housing Element. As indicated in the traffic analysis (refer to Section 3.16), the traffic generation will not lead to any significant impact on area intersections.⁶ As a result, no impacts related to the creation of carbon monoxide "hot spots" are anticipated.

- E. Would the project create objectionable odors affecting a substantial number of people? No Impact.*

The SCAQMD's CEQA Air Quality Handbook identifies those uses that will typically create odors that, in turn, could generate complaints. These uses include agricultural activities, wastewater treatment plants, food processing plants, chemical plants, composting, refineries, landfills, dairies, and fiberglass molding operations. The Zone Text Amendment promotes the development of new housing as a means to meet the City's RHNA. No odors are anticipated once the units are occupied. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

⁵ South Coast Air Quality Management District. *CEQA Air Quality Handbook, Appendix 9*. 2004 (as amended).

⁶ Ibid.

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3.4 BIOLOGICAL RESOURCES

According to the City of San Fernando, acting as Lead Agency, an action or project may be deemed to have a significant adverse impact on biological resources if it results in any of the following:

- A substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies or regulations, or by the California Department of Fish and Game or the U.S. Fish and Wildlife Service;
- A substantial adverse effect on any riparian habitat or other sensitive natural plant community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service;
- A substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act through direct removal, filling, hydrological interruption, or other means;
- A substantial interference with the movement of any native resident, migratory fish or wildlife species or with established native resident or migratory life corridors, or impede the use of native wildlife nursery sites;
- A conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance; or,
- A conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan.

A. *Would the project have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? No Impact.*

The potential development sites in the City have been previously developed and any plant life on-site is limited to non-native, introduced, and ornamental species which were used for landscaping. There are no sensitive or endangered animal and plant species within the City. Animal life within the development sites and the surrounding area consist of species commonly found in an urban setting. These species are not expected to migrate to the candidate development sites due to the lack of suitable habitat in the area, and the nature and extent of existing development. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

B. *Would the project have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? No Impact.*

The nearest designated "blue-line" stream is the Pacoima Wash, located along the City's eastern boundary. The Pacoima Wash is concrete lined at this location and is used for flood control purposes. The candidate development sites and the surrounding areas are developed or were previously developed. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

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C. Would the project have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? No Impact.

The City is fully urbanized and no natural wetland habitat is found within the candidate development sites. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

D. Would the project interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory life corridors, or impede the use of native wildlife nursery sites? No Impact.

A number of the potential development sites are likely to contain limited vegetation introduced for landscaping. The City is largely urbanized and there are no natural communities in the area or wildlife migration corridors. As a result, there will not be any impacts related to wildlife dispersal and movement with construction of future development.

E. Would the project conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? No Impact.

No locally designated species are found within the City or in the surrounding areas. A number of mature trees are found within the potential development sites though none of these trees are considered to be "heritage" trees. Thus, no impact to local policies and programs related to resource management or tree preservation is expected with the Zone Text Amendment's adoption and subsequent implementation.

F. Would the project conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan? No Impact.

As indicated previously, the City is largely urbanized, and no natural habitats are found within the City's boundaries. In addition, there are no areas of the City governed by a habitat conservation plan. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

3.5 CULTURAL RESOURCES

According to the City of San Fernando, acting as Lead Agency, an action or project will normally have a significant adverse impact on cultural resources if it results in any of the following:

- The project causes a substantial adverse change in the significance of a historical resource as defined in §15064.5;
- The project causes a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5;
- The project directly or indirectly destroys a unique paleontological resource, site or unique geologic feature; or
- The project disturbs any human remains, including those interred outside of formal cemeteries.

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A. Would the project cause a substantial adverse change in the significance of a historical resource as defined in §15064.5? No Impact.

Historic structures and sites are defined by local, State, and Federal criteria. A site or structure may be historically significant if it is locally protected through a local general plan or historic preservation ordinance. In addition, a site or structure may be historically significant according to State or Federal criteria even if the locality does not recognize such significance. The State, through the State Historic Preservation Office (SHPO) also maintains an inventory of those sites and structures that are considered to be historically significant. Finally, the U. S. Department of Interior has established specific guidelines and criteria that indicates the manner in which a site, structure, or district is to be defined as having historic significance and in the determination of its eligibility for listing on the National Register of Historic Places. A single location is recorded on the National Register of Historic Places: the Casa de Lopez Adobe located at 1100 Pico Street. In addition to its designation as a national historical site, it is also a state and county historical site. The City also completed a comprehensive historic resources preservation program. The survey was completed by Cultural Resources Management LLC in 2002 and identified over 230 potentially significant historic sites including two that may be eligible for the National Register. The survey also identified a single potential National Register Historic District. Future residential development associated with the implementation of the Housing Element will be required to comply with all pertinent requirements governing historic resources. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

B. Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5? No Impact.

The region in and around the City of San Fernando was home to the Gabrielino Indians. One of the largest Indian settlements was located near the existing San Fernando Mission. The village of Achooykomenga was reported to be among the largest Indian communities in the San Fernando Valley. The exact location of this village is unknown though an early baptismal register from the mission also identifies a settlement in what is now Pacoima.⁷ Any archaeological resources that may have been present prior to development are not expected to be found within the potential residential infill sites due to past disturbance. In the event resources are encountered during grading and excavation, the requirements of Appendix K of CEQA will be applicable. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

C. Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? No Impact.

The majority of the City has undergone extensive ground disturbance resulting from past and present development. The potential for paleontological resources in the area is considered low due to the alluvial character of the soils that underlie most of the City. In addition, no paleontological resources have been encountered as part of past development in the City. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

⁷ McCawley, William. *The First Angelinos, The Gabrielino Indians of Los Angeles*. 1996.

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D. Would the project disturb any human remains, including those interred outside of formal cemeteries? No Impact.

The only cemetery located near the City is located adjacent to the San Fernando Mission. The cemetery is located at 1160 Stranwood Avenue next to the San Fernando Mission grounds. While there are approximately 2,400 individuals interred in the San Fernando Mission cemetery, its location in relation to the City and any potential development site makes any unintentional disturbance of burials unlikely. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

3.6 GEOLOGY

According to the City of San Fernando, acting as Lead Agency, an action or project may be deemed to have a significant adverse environmental impact on the environment if it results in the following:

- The exposure of people or structures to potential substantial adverse effects, including the risk of loss, or death related to fault rupture from a known earthquake fault;
- Substantial soil erosion resulting in the loss of topsoil;
- Locating a project within a geologic or soils unit that is unstable, or that would become unstable as a result of the project, potentially resulting in on-site or off-site landslide, lateral spreading, subsidence, liquefaction or collapse;
- Locating a project on an expansive soil creating substantial risks to life or property; or
- Locating a project on soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water.

A. Would the project result in or expose people to potential impacts, including the risk of loss or death involving rupture of a known earthquake fault (as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area, or based on other substantial evidence of a known fault) ground-shaking, liquefaction, or landslides? No Impact.

The geomorphology of the Los Angeles Basin is a direct result of the tectonic forces common to the region. The area's topography is a direct result of the seismic influences that have contributed to the uplift that is evident from the nearby mountains. The region is bisected by numerous faults though all of the known faults are located outside of the City's corporate boundaries. The City is, and will continue to be, subject to ground-shaking hazards associated with earthquakes in the region. The level of risk within the City is no greater than that anticipated for the region. As a result, surface rupture is not anticipated to occur in the City.

B. Would the project expose people or structures to potential substantial adverse effects, including substantial soil erosion or the loss of topsoil? No Impact.

Future development associated with the proposed Zone Text Amendment will result in soil disturbance though these activities will be required to comply with City requirements that are designed to control storm water runoff and erosion. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

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C. Would the project expose people or structures to potential substantial adverse effects, including location on a geologic unit or a soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse? No Impact.

Recent studies completed by the CGS Seismic Hazard Zones Mapping Program indicate that there are no areas within the City that are subject to potential slope failure.⁸ As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

D. Would the project result in or expose people to potential impacts, including location on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property? No Impact.

The majority of the City is developed and largely covered over with impervious surfaces. The soils are not anticipated to represent a significant development constraint given the nature and extent of development found in the planning area. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

E. Would the project be located on soils incapable of supporting the use of septic tanks or alternative waste disposal systems where sewers are not available for the disposal of waste water? No Impact.

No septic tank systems will be permitted as part of any future residential development. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

3.7 GREENHOUSE GAS EMISSIONS

According to the City of San Fernando, acting as Lead Agency, a project may be deemed to have a significant adverse impact on greenhouse gas emissions if it results in any of the following:

- The generation of greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment; and,
- The potential for conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing emissions of greenhouse gasses.

A. Would the project generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? No Impact.

The State of California requires that CEQA documents include an evaluation of greenhouse gas (GHG) emissions or gases that trap heat in the atmosphere. GHG are emitted by both natural processes and human activities. Examples of GHG that are produced both by natural and industrial processes include carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O). The accumulation of GHG in the atmosphere regulates the earth's temperature. The development that may occur as part of the Housing Element's implementation will consist of infill development that will include modern building construction that will

⁸ California Geological Survey. *Map of Seismic Hazard Zones*. 2012.

conform to the most recent Title 24 requirements related to energy and water conservation. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

B. Would the project conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing emissions of greenhouse gasses? No Impact.

The Zone Text Amendment would not impede the implementation of the California Air Resources Board's (CARB's) recommended actions that are designed to reduce GHG emissions. AB-32 requires the reduction of GHG emissions to 1990 levels, which would require a minimum 28 percent reduction in "business as usual" GHG emissions for the entire state. The Zone Text Amendment will outline other new development review procedures as a means to encourage new residential development. The RHNA housing need represents a mandate required by the State of California as part of the RHNA's implementation. The City is obligated under State law, to fulfill the assigned RHNA requirements. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

3.8 HAZARDOUS MATERIALS

According to the City of San Fernando, acting as Lead Agency, a project may be deemed to have a significant adverse impact on risk of upset and human health if it results in any of the following:

- The creation of a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials;
- The creation of a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment;
- The generation of hazardous emissions or the handling of hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school;
- The locating of a project on a site which is included on a list of hazardous material sites compiled pursuant to Government Code Section 65962.5 resulting in a significant hazard to the public or the environment;
- A project located within an area governed by an airport land use plan, or where such a plan has not been adopted, within two miles of a public airport or a public use airport;
- A project located in the vicinity of a private airstrip which would result in a safety hazard for people residing or working in the project area;
- The impairment of the implementation of, or physical interference with, an adopted emergency response plan or emergency evacuation plan; or
- The exposure of people or structures to a significant risk of loss, injury or death involving wild land fire, including where wetlands are adjacent to urbanized areas or where residences are intermixed with wild lands.

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- A. *Would the project create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? No Impact.*

Future residential development associated with the proposed Zone Text Amendment will not be involved in the manufacture, use, or disposal of hazardous materials other than those materials used in a household. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- B. *Would the project create a significant hazard to the public or the environment, or result in reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? No Impact.*

As indicated previously, the residential uses associated with the proposed Zone Text Amendment will not be involved in the storage and distribution of goods which may be considered hazardous. Any future building plans will be reviewed by the City and the County to ensure that any applicable fire suppression improvements (sprinklers, hydrants, fire flow, etc.) are sufficient in accommodating demand. Future multiple-family development associated with the proposed Zone Text Amendment may also be periodically inspected by the City of Los Angeles Fire Department to ensure that the new development conforms to existing health, safety, and fire codes. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- C. *Would the project emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? No Impact.*

Future residential units contemplated under the Zone Text Amendment will not be involved in any activities that would emit and/or handle hazardous materials. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- D. *Would the project be located on a site, which is included on a list of hazardous material sites compiled pursuant to Government Code Section 65962.5, and as a result, would it create a significant hazard to the public or the environment? No Impact.*

The potential residential infill sites associated with the proposed Zone Text Amendment are not included on a hazardous sites list compiled pursuant to California Government Code Section 65962.5.⁹ No Cortese sites are found in the City. As a result, no impacts will occur with respect to locating the project on a site included on a hazardous list pursuant to the government code.

- E. *Would the project be located within an airport land use plan, or where such a plan has not been adopted, within two miles of a public airport or a public use airport, would the project result in a safety hazard for people residing or working in the project area? No Impact.*

Whiteman Airport is located outside of the City's corporate boundaries and is a Los Angeles County-owned general aviation airport. Other major airports in the surrounding region include Burbank-Glendale Airport

⁹ California, State of, Department of Toxic Substances Control, *DTSC's Hazardous Waste and Substances Site List - Site Cleanup (Cortese List)*, 2009.

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(located approximately 9 miles to the southeast), Los Angeles International Airport (located approximately 25 miles to the south), and Van Nuys Airport (located approximately 7 miles to the south).¹⁰ The maximum height of future residential development will not be tall enough to interfere with aircraft operations. In addition, the project site is located outside of the accident protection zone of Whiteman Airport. Future development arising as part of the proposed project's implementation will not present a safety hazard to aircraft and/or airport operations at a public use airport. As a result, no significant adverse impacts are anticipated.

F. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? No Impact.

Whiteman Airport is located 2.3 miles to the southeast of the project site. This airport is a small general aviation airport that handles private aircraft. The nearest major airports in the surrounding region include Burbank-Glendale Airport (located approximately 9 miles to the southeast), Los Angeles International Airport (located approximately 25 miles to the south), and Van Nuys Airport (located approximately 7 miles to the south). As a result, the Zone Text Amendment and its subsequent implementation will not present a safety hazard related to aircraft or airport operations.

G. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? No Impact.

The project sites are not located within 2 miles of an operational private airstrip. As indicated previously, Whiteman Airport is located 2.3 miles to the southeast. Other major airports in the surrounding region include Burbank-Glendale Airport (located approximately 9 miles to the southeast), Los Angeles International Airport (located approximately 25 miles to the south), and Van Nuys Airport (located approximately 7 miles to the south).¹¹ The project site is not located within 2 miles of a private airstrip. As a result, the proposed project will not present a safety hazard related to aircraft and/or airport operations at a private use airstrip.

H. Would the project impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? No Impact.

Subsequent to obtaining development entitlements and/or discretionary approvals from the Planning and Preservation Commission, a staging plan for any future construction will be submitted as part of the building permit plan check review process for approval by the Public Works Department. The construction plans will be required to identify the location of all on-site utility facilities as well as trash containers, construction vehicle parking areas and the staging area for debris removal and the delivery of building materials. Construction hours will also be required to comply with the current San Fernando City Code Standards. Finally, any required construction plan must identify specific provisions for the regulation of construction vehicle ingress and egress to the site during construction as a means to provide continued through-access for pedestrian and vehicles. All future construction activities and staging areas will be located within the potential development sites. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

¹⁰ Google Earth (the distances were calculated using the measuring tool).

¹¹ Google Earth (the distances were calculated using the measuring tool).

- I. Would the project expose people or structures to a significant risk of loss, injury or death involving wild land fire, including where wild lands are adjacent to urbanized areas or where residences are intermixed with wild lands? No Impact.*

No areas of native or natural vegetation are found within the vicinity of the candidate sites. All of the sites are located outside of any Zone 4 designation, according to maps prepared by the Los Angeles County Fire Department. The Zone 4 designation applies to those areas of the County where the natural vegetation represents a significant wildfire risk. As a result, no risk from wildfire is anticipated with the approval and subsequent implementation of the Zone Text Amendment.

3.9 HYDROLOGY & WATER

According to the City of San Fernando, acting as Lead Agency, a project may be deemed to have a significant adverse environmental impact on water resources or water quality if it results in any of the following:

- A violation of any water quality standards or waste discharge requirements;
- A substantial depletion of groundwater supplies or interference with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level;
- A substantial alteration of the existing drainage pattern of the site or area through the alteration of the course of a stream or river in a manner which would result in substantial erosion or siltation on- or off-site;
- A substantial alteration of the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner which would result in flooding on- or off-site;
- The creation or contribution of water runoff which would exceed the capacity of existing or planned storm water drainage systems or the generation of substantial additional sources of polluted runoff;
- The substantial degradation of water quality;
- The placement of housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map;
- The placement of structures within a 100-year flood hazard area which would impede or redirect flood flows;
- The exposure of people or structures to a significant risk of flooding as a result of dam or levee failure; or
- The exposure of a project to inundation by seiche, tsunami, or mudflow.

- A. Would the project violate any water quality standards or waste discharge requirements? No Impact.*

Future water consumption will be limited to that typical of residential development, and this consumption will be related to water used for potable consumption, routine maintenance and landscaping. No industrial wastewater discharges would be associated with the uses anticipated under the Zone Text Amendment's

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implementation. The majority of the potential future development sites are currently paved or covered over with impervious surfaces, which could lead to the presence of debris, leaves, soils, oil/grease, and other pollutants being transported into the storm drains on-site. Given the developed character of the potential infill development sites, there is likely to be an improvement in the quality of storm water runoff. Future development projects will be required to comply with the National Pollutant Elimination System Discharge (NPDES) requirements. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- B. Would the project substantially deplete groundwater supplies or interfere substantially with groundwater recharge in such a way that would cause a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of a pre-existing nearby well would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?*
No Impact.

Water supply in the City is derived from local groundwater wells operated and maintained by the water purveyors that serve the City, as well as imported water from the Metropolitan Water District (MWD). Once specific development sites are slated for development, the City will determine the nature and extent of the required infrastructure as part of the development review and plan check process. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- C. Would the project substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?* *No Impact.*

The potential residential infill sites are developed and covered over with impervious surfaces, including buildings, asphalt roadways, and parking areas. Future residential development will not affect or alter any existing drainage pattern of a stream or river. No other natural drainage features remain within the candidate development sites. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- D. Would the project substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner which would result in flooding on- or off-site?*
No Impact.

The majority of the potential development sites have undergone previous development. No natural stream channels remain within any of the candidate development sites. The future development contemplated as part of the Zone Text Amendment's implementation will not impact any of streams or rivers. In addition, there will not be a significant increase in the quantity of storm water surface runoff conveyed to the local storm drain system, given the extent of existing impervious surfaces found within each of the proposed development sites. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

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E. Would the project create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff? No Impact.

There will not be a significant change in the amount of surface runoff volumes from the planning area due to the nature and extent of the existing impervious surfaces. There are no water bodies located within those areas where future residential development is contemplated. The nature and extent of storm water runoff ultimately discharged into the existing storm drain system will not significantly change due to the amount of existing impervious surfaces found within the area. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

F. Would the project otherwise substantially degrade water quality? No Impact.

Future residential development contemplated under the Zone Text Amendment could lead to the presence of debris, leaves, soils, oil/grease, and other pollutants within the parking areas on-site in the absence of mitigation. These pollutants may enter the storm drain system during periods of rainfall. Under Section 402 of the Clean Water Act (CWA), all point source discharges of pollutants to waters of the United States (including lakes, rivers, wetlands, etc.) must be issued a National Pollutant Discharge Elimination System (NPDES) permit. NPDES permits issued for point sources must contain measures for ensuring any discharges meet water quality-based provisions of Section 301 of the CWA. As a result, discharges may not contain pollutants at levels which would cause the receiving water body to fail in meeting a water quality standard set by the State of California or the EPA for that water body. In addition, discharges must meet the technology-based requirements of Section 301 of the CWA. Discharges must meet an acceptable level of pollution control for that type of discharge, regardless of whether or not that level of control is specifically needed to protect the water body to which the discharge is directed. The implementation of these existing regulations and other pertinent requirements will mitigate any potential impacts. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

G. Would the project place housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map? No Impact.

Future infill development will not be located within the flood hazard area. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

H. Would the project place within a 100-year flood hazard area, structures which would impede or redirect flood flows? No Impact.

Future residential development undertaken as part of the Zone Text Amendment's implementation will not impede or redirect the flows of potential flood water. As a result, no significant adverse impacts will result.

I. Would the project expose people or structures to a significant risk of flooding as a result of dam or levee failure? No Impact.

There are three dams located in the vicinity of the City that include the Hansen Dam, the Lopez Dam, and the Los Angeles Reservoir Dam. The U. S. Army Corps of Engineers has prepared emergency plan maps indicating the potential inundation area for the Hansen and Lopez Dams. The potential inundation area for the Hansen

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Dam is located south of the dam, outside the City boundaries. The potential inundation area includes a small portion of the northeasterly corner of the City, though the site is located outside the inundation area. The Los Angeles Reservoir Dam is located to the southwest of the City and the potential inundation area is located further south of the reservoir. Since the potential infill sites are located outside the potential inundation area of these reservoirs, no impacts are anticipated.

J. Would the project result in inundation by seiche, tsunami, or mudflow? No Impact.

The City is located inland from the Pacific Ocean and the project area would not be exposed to the effects of a tsunami. No reservoirs or volcanoes are located near the City that would present seiche or volcanic hazards. In addition, there are no surface water bodies in City that would result in a potential seiche hazard.¹² Finally, there are no hillside areas located in the City and, therefore, landslide and/or mudflows are not anticipated to represent a hazard to future development. As a result, no seiche or tsunami hazards are anticipated.

3.10 LAND USE & DEVELOPMENT

According to the City of San Fernando, acting as Lead Agency, an action or project may be deemed to have a significant impact on land use and development if it results in any of the following:

- The disruption or division of the physical arrangement of an established community;
- A conflict with an applicable land use plan, policy, or regulation of the agency with jurisdiction over the project;
- A conflict with any applicable conservation plan or natural community conservation plan;
- The conversion of prime farmland, unique farmland, or farmland of statewide importance;
- A conflict with existing zoning for agricultural use, or a Williamson Act Contract; or
- Changes to the existing environment which, due to their location or nature, may result in the conversion of farmland to non-agricultural uses.

A. Would the project physically divide an established community? No Impact.

The proposed Zone Text Amendment will ensure that the City of San Fernando attains its 2008-2014 Housing Element Objective to amend the Zoning Ordinance to make explicit provisions for manufactured housing, community care facilities, single room occupancy (SROs) units, transitional and supportive housing, and emergency homeless shelters. The changes will enable the City of San Fernando to comply with the requirements of SB-2 in addition to providing new opportunities for housing within the City that meets the housing needs of all economic segments of the community. The proposed revisions to the City Zoning Ordinance will also permit the introduction of SROs, community care facilities for seven or more persons, manufactured housing, and transitional and supportive housing units in a manner consistent with State law while providing the necessary development standards to ensure this new development conforms to the City's zoning and building codes. The location and extent of the potential development sites will conform to the

¹² United State Geological Survey. *San Fernando 7 ½ Minute Quadrangle*. Release Date March 25, 1999.

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adopted General Plan map and the adopted Zoning Map. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

B. Would the project conflict with an applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including but not limited to, a general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect? No Impact.

There are several existing environmental plans that are applicable to the City, including the Regional Comprehensive Plan, the Congestion Management Plan, and the Air Quality Management Plan. The applicability of these plans is discussed under their respective issue areas (air quality, traffic and circulation, etc.). The City is obligated under State law, to fulfill the RHNA requirements that have been assigned to the City. These growth projections were evaluated in the environmental studies prepared for both the RHNA and RTP. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

C. Will the project conflict with any applicable habitat conservation plan or natural community conservation plan? No Impact.

There are no areas of the City that are subject to a habitat conservation plan or a local coastal plan (LCP). In addition, there are no designated Significant Ecological Areas (SEAs) located within one mile of the City. As a result, no impacts on habitat conservation plans will occur with the adoption of the Zone Text Amendment and its subsequent implementation.

3.11 MINERAL RESOURCES

According to the City of San Fernando, acting as Lead Agency, an action or project may be deemed to have a significant adverse impact on energy and mineral resources if it results in any of the following:

- The loss of availability of a known mineral resource that would be of value to the region and the residents of the state; or
- The loss of availability of a locally-imported mineral resource recovery site delineated on a local general plan, specific plan or other land use plan.

A. Would the project result in the loss of availability of a known mineral resource that would be of value to the region and the residents or the state? No Impact.

No mineral resource extraction activities are located within the City. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

B. Would the project result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? No Impact.

There are no mineral, oil or energy extraction and/or generation activities within the City. Review of maps provided by the State Department of Conservation indicates there are no abandoned and capped wells within the development sites. The resources and materials used in the construction of future residential units will not

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include any materials that are considered rare or unique. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

3.12 NOISE

According to the City of San Fernando, acting as Lead Agency, an action or project may be deemed to have a significant impact on the environment if it results in any of the following:

- The exposure of persons to, or the generation of noise levels in excess of standards established in the local general plan, noise ordinance or applicable standards of other agencies;
- The exposure of people to, or generation of, excessive ground-borne noise levels;
- A substantial permanent increase in ambient noise levels in the vicinity of the project above levels existing without the project;
- A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project;
- The locating of a project within an area governed by an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or private use airport, where the project would expose people residing or working in the project area to excessive noise levels; or
- The locating of a project within the vicinity of a private airstrip which would result in the exposure of people residing or working in the project area to excessive noise levels.

A. Would the project result in exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? No Impact.

As part of future development of multiple-family residential development, insulation and other design measures will be required to reduce the interior ambient noise levels to 45 CNEl or less. Any additional vehicle trips that will be generated by the future residential development will be distributed throughout the City. The cumulative traffic will not be great enough to result in a measurable or perceptible increase in traffic noise (it typically requires a doubling of traffic volumes to increase the ambient noise levels to 3.0 dBA or greater). As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

B. Would the project result in exposure of people to or generation of excessive ground-borne noise levels? No Impact.

Future construction activities could lead to noise impacts on the adjacent residential uses in the absence of mitigation. Construction machinery will be capable of generating periodic peak noise levels ranging from 70 to 95 dBA at a distance of 50 feet from the source. These impacts will be short-term and cease once construction has been completed. All construction activities must conform to the City's Noise Control regulations. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

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- C. Would the project result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project? No Impact.*

The future residential development associated with the proposed Zone Text Amendment will involve uses and activities which are not likely to generate significant increases in the ambient noise levels. Traffic noise generated by future development will not result in a measurable or discernable increase in the ambient noise levels. The additional traffic on area roadways will result in noise level increases of less than 3.0 dBA, as indicated previously. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- D. Would the project result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project? No Impact.*

Short-term increases in noise levels will occur during demolition and construction activities. Demolition and construction activities will generate noise levels in excess of 90 dB within 50 feet of the project site. Construction activities at the project site could lead to noise impacts on the adjacent residential uses in the absence of mitigation. Construction machinery will be capable of generating periodic peak noise levels ranging from 70 to 95 dBA at a distance of 50 feet from the source. These impacts will be short-term and cease once construction has been completed. All construction activities must conform to the City's Noise Control regulations. As a result, no significant adverse impacts are anticipated.

- E. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? No Impact.*

Whiteman Airport is located 2.3 miles to the southeast of the project site. This airport is a small general aviation airport that handles private aircraft. The nearest major airports in the surrounding region include Burbank-Glendale Airport (located approximately 9 miles to the southeast), Los Angeles International Airport (located approximately 25 miles to the south), and Van Nuys Airport (located approximately 7 miles to the south). As a result, no significant adverse impacts related to the exposure of persons to aircraft noise from a public use airport are anticipated.

- F. Within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? No Impact.*

The City is not located within 2 miles of an operational *private* airstrip. As indicated in the previous section, Whiteman Airport is located 2.3 miles to the southeast of the project site and is a general aviation facility owned by Los Angeles County. Other major airports in the surrounding region include Burbank-Glendale Airport (located approximately 9 miles to the southeast), Los Angeles International Airport (located approximately 25 miles to the south), and Van Nuys Airport (located approximately 7 miles to the south). As a result, no impacts related to the exposure of persons to aircraft noise from a private airstrip will result from the proposed project. Future residents will not be exposed to aircraft noise from operations at any private airport in the area. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

3.13 POPULATION & HOUSING

According to the City of San Fernando, acting as Lead Agency, an action or project may be deemed to have a significant impact on housing and population if it results in any of the following:

- A substantial growth in the population within an area, either directly or indirectly related to a project;
- The displacement of a substantial number of existing housing units, necessitating the construction of replacement housing; or
- The displacement of substantial numbers of people, necessitating the construction of replacement housing.

A. Would the project induce substantial population growth in an area, either directly or indirectly (e.g., through projects in an undeveloped area or extension of major infrastructure)? No Impact.

The proposed Zone Text Amendment will ensure that the City of San Fernando attains its 2008-2014 Housing Element Objective to amend the Zoning Ordinance to make explicit provisions for manufactured housing, community care facilities, single room occupancy (SROs) units, transitional and supportive housing, and emergency homeless shelters. These changes will enable the City of San Fernando to comply with the requirements of SB-2 in addition to providing new opportunities for housing within the City that meets the housing needs of all economic segments of the community. The proposed revisions to the City Zoning Ordinance will also permit the introduction of SROs, community care facilities for seven or more persons, manufactured housing, emergency homeless shelters, and transitional and supportive housing units in a manner consistent with State law while providing the necessary development standards to ensure this new development conforms to the City's zoning and building codes. The location and extent of the potential development sites will conform to the adopted General Plan Map and the adopted Zoning Map. As a result, no adverse growth inducing impacts will result from the Zone Text Amendment's adoption and subsequent implementation.

B. Would the project displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere? No Impact.

The Zone Text Amendment will enable the City to accommodate its RHNA allocation. The location and extent of the potential development sites will also conform to the adopted General Plan map and the adopted Zoning Map. As a result, no adverse impacts related to existing or potential housing displacement will result from the Zone Text Amendment's adoption and subsequent implementation.

C. Would the project displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? No Impact.

The Zone Text Amendment promotes the development of new housing opportunities as indicated in Subsection A. The location and extent of any new residential development will conform to the adopted General Plan Map and the Zoning Map. As a result, no significant adverse impacts related to existing or potential housing displacement will result from the Zone Text Amendment's adoption and subsequent implementation.

3.14 PUBLIC SERVICES

According to the City of San Fernando, acting as Lead Agency, an action or project may be deemed to have a significant adverse impact on public services if it results in any of the following:

- A substantial adverse physical impact associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times, or other performance objectives relative to fire protection services;
- A substantial adverse physical impact associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives relative to law enforcement services;
- A substantial adverse physical impact associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives relative to educational services; or
- A substantial adverse physical impact associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives relative to other public services.

A. *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives in any of the following areas: fire protection services? No Impact.*

The City of San Fernando is served by the City of Los Angeles Fire Department (LAFD) that operates from three nearby fire stations. The LAFD currently reviews all new development plans, and future development will be required to conform to all fire protection and prevention requirements, including, but not limited to, building setbacks, emergency access, fire hydrants, interior sprinklers, and et cetera. The LAFD will review all building plans in subsequent phases of planning and design to ensure that regulations and requirements will be adhered to. The addition of new residential units will result in an incremental increase in the demand for emergency services. However, the future development will be reviewed by the LAFD to ensure compliance with applicable building and safety codes. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

B. *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives in any of the following areas: Police protection? No Impact.*

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Law enforcement services in the City are provided by the San Fernando Police Department that was established following incorporation. The Police Department operates from a facility located at 910 First Street.

As part of the Police Department's annual review, demand shall be evaluated and resources allocated as necessary. The proposed new residential developments will require review by the Police Department. The City is obligated under State law to fulfill the RHNA requirements that have been assigned to the City. As part of the RHNA's development, SCAG relied on growth projections developed as part of the Regional Transportation Plan (RTP). These growth projections were evaluated in the environmental studies prepared for both the RHNA and RTP. Furthermore, the residential development envisioned as part of the Zone Text Amendment's implementation is consistent with that contemplated under the City of San Fernando General Plan. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

C. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives in any of the following areas: School services? No Impact.

Future residential development associated with the proposed Zone Text Amendment will be required to pay school development fees. The payment of these fees will mitigate any potential impacts. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

D. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives in any of the following areas: Other governmental services? No Impact.

The Zone Text Amendment will not result in increased demands on other public and governmental services. The Zone Text Amendment largely calls for existing programs to be continued. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

3.15 RECREATION

According to the City of San Fernando, acting as Lead Agency, an action or project may be deemed to have a significant adverse impact on the environment if it results in any of the following:

- The use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated; or,
- The construction or expansion of recreational facilities, which might have an adverse physical effect on the environment.

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- A. *Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? No Impact.*

The City of San Fernando Recreation and Community Services Department operates five public parks. These include La Palmas Park (505 South Huntington Street), Layne Park (120 North Huntington Street), Recreation Park (208 Park Avenue), Pioneer Park (828 Harding Avenue), and Heritage Park (2025 Fourth Street). The Department is also responsible for the maintenance and operation of the Casa de Lopez Adobe located at 1100 Pico Street. These existing parks have a total useable land area of approximately 34.13 acres. The current recreational open space ratio in the City is 0.9-acres per 1,000 residents. Future residential development may result in direct impacts on recreational facilities in the area. However, the potential park impacts will be offset by requirements for on-site common open space areas. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- B. *Would the project affect existing recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment? No Impact.*

The implementation of the Zone Text Amendment will not physically affect parks and recreational facilities in the City. None of the candidate sites serve or provide a sanctioned recreational use for the public. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

3.16 TRANSPORTATION & TRAFFIC

According to the City of San Fernando, acting as Lead Agency, an action or project will normally have a significant adverse impact on traffic and circulation if it results in any of the following:

- A conflict with an applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to, intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit;
- An increase in the level of service standard established by the County Congestion Management Agency for designated roads or highways;
- A change in air traffic patterns, including either an increase in traffic levels or a change in the location that results in substantial safety risks;
- Substantially increases hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment);
- Results in inadequate emergency access; or,
- A conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities.

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- A. *Would the project cause a conflict with an applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to, intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit? No Impact.*

The proposed Zone Text Amendment will ensure that the City of San Fernando attains its 2008-2014 Housing Element Objective to amend the Zoning Ordinance to make explicit provisions for manufactured housing, community care facilities, single room occupancy (SROs) units, transitional and supportive housing, and emergency homeless shelters. The changes will enable the City of San Fernando to comply with the requirements of SB-2 in addition to providing new opportunities for housing within the City that meets the housing needs of all economic segments of the community. The proposed revisions to the City Zoning Ordinance will also permit the introduction of SROs, community care facilities for seven or more persons, manufactured housing, and transitional and supportive housing units in a manner consistent with State law while providing the necessary development standards to ensure this new development conforms to the City's zoning and building codes. When discounting the existing development within the potential infill sites, the potential trip generation will be reduced and these trips will be distributed throughout the City, and the level of service of individual intersections will not be significantly affected. As indicated in the previous sections, the City is obligated under State law to fulfill the RHNA requirements that have been assigned to the City. As part of the RHNA's development, SCAG relied on growth projections developed as part of the Regional Transportation Plan (RTP). These growth projections were evaluated in the environmental studies prepared for both the RHNA and RTP. The location and extent of the potential development sites will conform to the adopted General Plan Map and the adopted Zoning Map. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- B. *Would the project result in a conflict with an applicable congestions management program, including but not limited to, level of service standards and travel demand measures, or other standards established by the County Congestion Management Agency for designated roads or highways? No Impact.*

The City is obligated under State law, to fulfill the RHNA requirements that have been assigned to the City. As part of the RHNA's development, SCAG relied on growth projections developed as part of the Regional Transportation Plan (RTP). These growth projections were evaluated in the environmental studies prepared for both the RHNA and RTP. These studies showed that the level of service of individual intersections will not be significantly affected. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- C. *Would the project result in a change in air traffic patterns, including either an increase in traffic levels or a change in the location that results in substantial safety risks? No Impact.*

The future residential development will not impact any FAA air traffic height restrictions. Finally, the City is not located within an approach or take-off aircraft safety zone. As a result, no significant adverse impacts are anticipated.

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D. Would the project substantially increase hazards due to the design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? No Impact.

The adoption and subsequent implementation of the Zone Text Amendment would not require any revisions to the City's Circulation Element. The potential design changes to area roadways will largely be limited to curb cuts. For larger residential projects, the City will require that traffic studies be prepared to evaluate potential traffic and circulation impacts. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

E. Would the project result in inadequate emergency access? No Impact.

The development of new housing contemplated under the implementation of the Zone Text Amendment may involve limited disruption of the roadways for utility connections. At no time will any of these arterial roadways, or any other designated emergency evacuation routes, be closed to traffic due to future construction activities within the individual project sites. Subsequent to obtaining development entitlements from the Planning and Preservation Commission, a staging plan for the proposed construction will be submitted as part of building permit plan check review process for approval by the Public Works Department. The construction plan will be required to identify the location of all on-site utility facilities as well as trash containers, construction vehicle parking areas and the staging area for debris removal and the delivery of building materials. Construction hours will also be required to comply with the current San Fernando City Code Standards. Finally, the construction plan must identify specific provisions for the regulation of construction vehicle ingress and egress to the site during construction as a means to provide continued through-access for pedestrians. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

F. Would the project result in a conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities? No Impact.

Any future residential development contemplated under the Zone Text Amendment must conform to all pertinent requirements related to "reasonable accommodation." As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

3.17 UTILITIES

According to the City of San Fernando, acting as Lead Agency, an action or project may be deemed to have a significant adverse impact on utilities if it results in any of the following:

- An exceedance of the wastewater treatment requirements of the applicable Regional Water Quality Control Board;
- The construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental impacts;
- The construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects;

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- An overcapacity of the storm drain system causing area flooding;
- A determination by the wastewater treatment provider that serves or may serve the project that it has inadequate capacity to serve the project's projected demand;
- The project will be served by a landfill with insufficient permitted capacity to accommodate the project's solid waste disposal needs;
- Non-compliance with federal, state, and local statutes and regulations relative to solid waste;
- A need for new systems, or substantial alterations in power or natural gas facilities; or,
- A need for new systems, or substantial alterations in communications systems.

A. Would the project exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? No Impact.

The County Sanitation Districts of Los Angeles County (Districts) treat wastewater from the City of San Fernando. Local sewer lines are maintained by the City of San Fernando, while the District owns, operates, and maintains the large trunk sewers of the regional wastewater conveyance system. Districts No.'s 2, 3, 18 and 19 serve the City. Three Districts' wastewater treatment plants treat wastewater flow originating from San Fernando. The design capacities of the District's wastewater treatment facilities are based on population forecasts adopted in the Southern California Association of Government's (SCAG) 2006 Regional Comprehensive Plan and Guide (RCPG). All expansions of the Districts' facilities must be sized and service phased in a manner that will be consistent with the Growth Management Element of the RCPG. The available capacity of the Districts' treatment facilities will be limited to levels associated with approved growth identified in the RCPG. As indicated in the previous sections, the City is obligated under State law, to fulfill the RHNA requirements that have been assigned to the City. As part of the RHNA's development, SCAG relied on growth projections developed as part of the Regional Transportation Plan (RTP). These growth projections were evaluated in the environmental studies prepared for both the RHNA and RTP. Furthermore, the residential development envisioned as part of the Zone Text Amendment's implementation is consistent with that contemplated under the City of San Fernando General Plan. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

B. Would the project require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental impacts? No Impact.

The City of San Fernando provides water service to a geographic area of 2.42 square miles and a population of approximately 24,600. The City's water distribution system provides approximately one billion gallons of water on an annual basis within its service area. Water may be derived from three sources that include local groundwater drawn from the Sylmar Groundwater Basis, imported water from the Metropolitan Water District (MWD), and emergency water from the City of Los Angeles.¹³ The waste treatment facilities are described in the previous section. No new off-site facilities will be required to meet the projected demand since future

¹³ City of San Fernando. Annual Water Quality Report 2009. 2011

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development must be consistent with the General Plan. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- C. Would the project require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? No Impact.*

The City of San Fernando is served by the Los Angeles County Flood Control District which operates and maintains regional and municipal storm drainage facilities. The City works with the Flood Control District in making local drainage plans and improvements. While the majority of the candidate development sites are underutilized, the projected runoff may be accommodated by existing storm drain infrastructure. The projected storm water runoff is not anticipated to significantly increase with future residential development when discounting the existing commercial development within the infill sites. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- D. Would the project have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed? No Impact.*

Water in the project area is supplied by the City of San Fernando Water Department. The City's local groundwater supply is provided by four water wells and imported supplies are available from a connection to an MWD line. The City's water distribution system consists of approximately 5,000 service connections and a 66.5 mile system of water lines. According to the most recent water master plan prepared for the City, the reliability of the local water supply is anticipated to remain consistent or near the 3,405 acre-feet/year (AFY) allocation. As indicated in the previous sections, the City is obligated under State law, to fulfill the RHNA requirements that have been assigned to the City. As part of the RHNA's development, SCAG relied on growth projections developed as part of the Regional Transportation Plan (RTP). These growth projections were evaluated in the environmental studies prepared for both the RHNA and RTP. Furthermore, the residential development envisioned as part of the Zone Text Amendment's implementation is consistent with that contemplated under the City of San Fernando General Plan. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

- E. Would the project result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments? No Impact.*

Water in the project area is supplied by the City of San Fernando Water Department. The City's water distribution system consists of approximately 5,000 service connections and a 66.5 mile system of water lines. According to the most recent water master plan prepared for the City, the reliability of the local water supply is anticipated to remain consistent or near the 3,405 acre-feet/year (AFY) allocation. As indicated in the previous section, no impacts are anticipated since no net increase in the on-site water consumption is anticipated. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

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F. Would the project be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs? No Impact.

Municipal solid waste collection services within San Fernando are provided by Crown Disposal Company Inc. under contract. The role of the Sanitation Districts of Los Angeles County is to construct, operate, and maintain facilities to treat and dispose of wastewater, and to provide for disposal and management of solid wastes. Future development will be required to comply with any existing or future waste reduction and/or recycling City-initiated programs pursuant to AB 939 requirements. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

G. Will the project comply with federal, state, and local statutes and regulations related to solid waste? No Impact.

Future development associated with the proposed Zone Text Amendment will be required to comply with any existing or future waste reduction and/or recycling City-initiated programs pursuant to AB 939 requirements. No unique types of waste will be generated by the future residential development anticipated under the Zone Text Amendment. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

H. Would the project result in a need for new systems or substantial alterations in power or natural gas facilities? No Impact.

Future residential development will require connections to power utilities. The potential daily demand for natural gas and electricity has been estimated to be 19,332 cubic feet and 22,380 kWh, respectively. Contacts will be initiated with local energy purveyors to review the potential demand and to determine additional types of mitigation which may be required to reduce consumption. The proposed Zone Text Amendment and the development that will be supported is consistent with the City's General Plan. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

I. Would the project result in a need for new systems, or substantial alterations in communications systems? No Impact.

The proposed residential development contemplated under the Zone Text Amendment's implementation will require connections to telecommunications providers. The necessary connections are provided in the areas where new housing will be constructed. As a result, the Zone Text Amendment's adoption and subsequent implementation will not result in any significant adverse impacts.

3.18 MANDATORY FINDINGS OF SIGNIFICANCE

The following findings can be made regarding the mandatory findings of significance set forth in Section 15065 of the CEQA Guidelines based on the results of this environmental assessment:

- The approval and subsequent implementation of the proposed project *will not* have the potential to degrade the quality of the environment.
- The approval and subsequent implementation of the proposed project *will not* have the potential to

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achieve short-term goals to the disadvantage of long-term environmental goals.

- The approval and subsequent implementation of the proposed project *will not* have impacts that are individually limited, but cumulatively considerable, when considering planned or proposed development in the immediate vicinity.
- The approval and subsequent implementation of the proposed project *will not* have environmental effects that will adversely affect humans, either directly or indirectly.
- The Initial Study indicated there is no evidence that the proposed project will have an adverse effect on wildlife resources or the habitat upon which any wildlife depends.



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SECTION 4 FINDINGS

The Initial Study for the Zone Text Amendment indicates that the project is not expected to have significant adverse environmental impacts. As a result, the following findings can be made regarding the mandatory findings of significance set forth in Section 15065 of the CEQA Guidelines based on the results of this environmental assessment:

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

The City of San Fernando has further determined that a mitigation reporting or monitoring program *will not* be required.



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SECTION 5 REFERENCES

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5.2 REFERENCES

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ATTACHMENT "B"**ORDINANCE NO. _____**

AN ORDINANCE OF THE CITY OF SAN FERNANDO, CALIFORNIA AMENDING ARTICLE I OF CHAPTER 106 TO DEFINE SINGLE ROOM OCCUPANCY UNIT, COMMUNITY CARE FACILITIES, EMERGENCY HOMELESS SHELTERS, MANUFACTURED HOUSING, TRANSITIONAL HOUSING AND SUPPORTIVE HOUSING AND AMENDING ARTICLE III OF CHAPTER 106 TO PROVIDE THAT EMERGENCY SHELTERS ARE PERMITTED USES IN THE M-2 LIGHT INDUSTRIAL ZONE WITH APPLICABLE DEVELOPMENT STANDARDS, SINGLE ROOM OCCUPANCY AS CONDITIONALLY PERMITTED USES IN THE C-1 AND C-2 COMMERCIAL ZONES, COMMUNITY CARE FACILITIES OF SEVEN OR PERSONS AS CONDITIONALLY PERMITTED USES IN ALL RESIDENTIAL ZONES, AND THAT MANUFACTURED HOUSING, TRANSITIONAL AND SUPPORTIVE HOUSING ARE AND SHALL BE TREATED AS RESIDENTIAL USES, SUBJECT ONLY TO THOSE RESTRICTIONS ON RESIDENTIAL USES APPLICABLE TO THE TYPE OF RESIDENTIAL STRUCTURE OR USE INVOLVED

WHEREAS, in 2007 the State legislature enacted SB 2, which requires local jurisdictions to incorporate policies into their General Plan Housing Elements to allow establishment of: Single Room Occupancy unit ("SRO"), Community Care Facilities, Emergency Homeless Shelters, and Transitional and Supporting Housing as permitted uses in specified zoning districts and to amend local ordinances to implement such policies; and

WHEREAS, the City Council adopted the General Plan Housing Element in April 2009, which includes Housing Program No. 11 (Zoning Ordinance Revisions) that would provide the appropriate definitions and regulations that would allow establishment of: SRO as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones; Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones; Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zone, Manufactured Housing and Transitional Housing and Supportive Housing as permitted uses in all residential districts only subject to those development standards that apply to other residential uses of the same type in the same residential district; and

WHEREAS, on January 8, 2013, the Planning and Preservation Commission held a properly noticed public hearing at which it received a report from City staff as well as oral and written testimony from the public, and deliberated on the item. At that meeting, the Planning Commission recommended the City Council adopt the proposed zone text amendments in this Ordinance; and

WHEREAS, the City Council public hearing was noticed in accordance with the requirements set forth in Government Code sections 65090 and 65091.

THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES ORDAIN AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and made a part of this Ordinance.

SECTION 2. The City Council hereby finds as follows:

- a) **The proposed zone text amendment is consistent with the objectives, policies, general land uses and programs of the City's General Plan.**

The proposed text amendment to the San Fernando Municipal Code, which provides definitions and regulations for SROs in the C-1 (Limited Commercial) and C-2 (Commercial) zones, community care facilities with seven or more occupants in the City's residential zones, factory built or manufactured housing as a permitted use in all residential zones, and transitional housing and supportive housing within the City's residential zones is consistent with the objectives, policies, general land uses and programs of the City of San Fernando General Plan Housing Element. Per Housing Element Goal 2.0 and Policy 2.1, the proposed zone text amendment is intended to provide adequate housing sites to facilitate the development of a range of residential development types in the city that fulfill regional needs. In addition, the proposed zone text amendment ensures the city attains its 2008-2014 Housing Element Objective to amend the zoning ordinance to make explicit provisions for manufactured housing, community care facilities, SROs, transitional and supportive housing, and emergency shelters while also developing objective standards for the regulation of emergency homeless shelters as provided for under SB2. Furthermore, providing the required definitions for SROs, community care facilities, emergency homeless shelters, transitional housing and supportive housing as well as establishing the applicable regulations for each proposed use within each specified zoning districts will allow a range of housing types within the City that meets the housing needs of all economic segments of the community while preserving the character of the existing residential neighborhoods and the affected commercial and industrial zoned districts.

- b) **The adoption of the proposed zone text amendment would not be detrimental to the public interest, health, safety, convenience or welfare.**

The proposed revisions to the city zoning ordinance would allow for the introduction of SROs, community care facilities for seven or more persons, factory built or manufactured housing, and transitional and supportive housing units in a manner consistent with the requirements of adopted State legislation while providing specific development standards that assure these new housing units are built in compliance with the City's zoning and building codes. Therefore, the proposed addition of definitions and associated regulations for SROs, community care facilities for seven or more occupants, factory built or manufactured housing, and transitional housing and supportive housing in the specified commercial, industrial or residential zoned districts will ensure the availability of housing for special needs groups within the community in a manner that will not be detrimental to the public interest, health, safety, convenience or welfare.

SECTION 3. Section 106-6, "Definitions," of the San Fernando City Code is hereby amended to revise the definition of "community care facility" providing definitions for "community care facility/large" and "community care facilities/small" and to add definitions for "child day care

facility”, “emergency homeless shelter,” “single room occupancy unit,” “supportive housing,” and “transitional housing,” as follows:

Community care facility/Large means any facility as defined in the Health and Safety Code Section 1502(a) ~~and a child care facility as defined in Health and Safety Code Section 1596.750~~, which provides nonmedical care on a 24-hour a day basis to seven or more persons including, but not limited to persons with substance abuse illnesses, physically handicapped, mentally impaired, incompetent persons, and abused or neglected children. ~~Large community care facility shall be in need of personal services, supervision or assistance essential for sustaining activities of daily living or for the protection of the individual on less than a 24-hour a day basis.~~ considered a conditionally permitted use within all residential zoned districts.

Community care facility/Small means any facility as defined in the Health and Safety Code Section 1502(a), which provides nonmedical care on a 24-hour a day basis to six or less persons including, but not limited to persons with substance abuse illnesses, physically handicapped, mentally impaired, incompetent persons, and abused or neglected children. Small community care facility shall be considered a permitted use within all residential zoned districts.

Child day care facility means a facility that provides nonmedical care to children under 18 years of age in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of individuals on a less than a 24-hour basis. Child day care facility includes day care centers, employer-sponsored child day centers, and family day care centers.

Emergency homeless shelter means housing with minimal supportive services for homeless persons that is limited to occupancy of six months per calendar year or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. (Health and Safety Code Section 50801(e)). Supportive services may include, but are not limited to, meal preparation, an activities center, day care for homeless person’s children, vocational rehabilitation and other similar activities.

Single room occupancy unit (SRO) means any building containing five or more guestrooms or units intended or designed to be used, or which are used, rented, or hired out, to be occupied, or which are occupied, for sleeping purposes by residents, which is also the primary residence of those residents. The individual units shall lack either cooking facilities or individual sanitary facilities, or both. However, for purposes of this definition, an SRO does not include residential care homes, senior housing projects, rooming and boarding houses, hotels and motels, bed and breakfast lodging, extended care facilities or hospitals.

Supportive housing means housing with no limit on the length of stay and that is occupied by a target population as defined by Health and Safety Code Section 53260(d), as the same may be amended from time to time, and that provides a significant level of onsite and offsite services that assist the supportive housing residents in retaining the housing, improving their health status, maximizing their ability to live, and when

possible, work in the community. Supportive housing shall be treated under this chapter as a residential use and shall be allowed as a permitted use in all residential zoning districts.

Transitional housing means housing operated under program requirements that call for 1) the termination of any assistance to an existing program recipient and 2) the subsequent recirculation of the assisted residential unit to another eligible program recipient at some predetermined future point in time, which point in time shall be no less than six months into the future (Health and Safety Code Section 50675.2(h)). Transitional housing may provide, but not be limited to, meals, counseling, and other services as well as common areas for residents. Transitional housing may be provided under all residential housing types. In all cases, Transitional housing shall be treated as a residential use under this chapter and shall be subject only to those restrictions that apply to other residential uses of the same residential housing type located in the same zoning district.”

SECTION 4. Section 106-311, “Purpose,” and Sections 106-312 through 106-325, “Reserved,” of the San Fernando City Code are hereby amended to read as follows:

“~~Sec. 106-311. Purpose.~~

~~In accordance with the housing element of the city's general plan, and in keeping with the aim of providing adequate housing for all segments of the population, the planning commission may approve, through the conditional use permit process, transitional or temporary housing facilities in the M-1 and M-2 industrial zones under the following circumstances, and with the following conditions:~~

- ~~(1) — Such facilities must be inspected by the city's building official, the fire department and the Los Angeles County Health Department prior to occupancy, to ensure that the building(s) is safe and habitable.~~
- ~~(2) — The facility must include adequate bathroom and shower facilities. If feasible, washers and dryers should be provided.~~
- ~~(3) — The operator of such premises shall be responsible for maintaining an area within 100 feet of the exterior of the premises free of loitering, littering, consumption of alcoholic beverages, and trash and debris.~~
- ~~(4) — Relevant city staff, such as police and community preservation officials, shall have the authority to enter the premises to ensure that all conditions of operation are being met.~~
- ~~(5) — The maximum stay at any such facility shall be three continuous months. The facility's staff shall be responsible for verifying the identification of each client, and for ensuring the maximum length of residence. The maximum total for any one person at any one facility shall be one year, with a minimum one month gap between each individual gap.~~
- ~~(6) — The community development staff shall be responsible for overall monitoring of such facilities, with assistance by the police department and other relevant city and county agencies. Violations of any of the conditions of operation shall subject the operator/owner of such a facility to a revocation hearing before the planning commission, in conformance with section 30.758 of the Oning ordinance.~~

- (7) ~~The following development standards shall apply to all such facilities, unless the planning commission finds that one or more of the standards is unnecessary or does not apply to the particular situation:~~
- ~~a. adequate lighting shall be provided for the entire site, especially the public areas. All lighting shall be directed away from adjacent properties and the public right of way.~~
 - ~~b. The applicant shall provide common facilities for the use of residents and staff as follows:~~
 - ~~1. Central cooking and dining room(s).~~
 - ~~2. Recreation room.~~
 - ~~3. Child care facilities.~~
 - ~~4. Enclosed refuse area, per section 30.681 of the zoning ordinance.~~
 - ~~c. Outdoor activities shall not continue past 10:00 p.m., if the facility is located within 300 feet of any residential zone.~~
 - ~~d. Any proposed new structure must be located at least 300 feet from the nearest residential zone.~~
- (8) ~~The public hearing on the application for such a facility shall be held in conformance with section 30.790 (Hearings and appeals) of the zoning ordinance.~~

~~Secs. 106-312—106-325. Reserved~~

~~Secs. 106-311—106-325. Reserved.”~~

SECTION 5. Section 106-352, “Permitted Uses,” relating to permitted uses within the R-1 Single-Family Residential Zone, of the San Fernando City Code is hereby amended to read as follows:

“Sec. 106-352. Permitted uses.

In the R-1 single family residential zone, the following uses are permitted:

- (1) Accessory buildings and structures such as a garage, workroom, storage shed, recreation room or cabana located on the same lot as the principal residential use. No bathroom, kitchen plumbing or fixtures or cooking facilities shall be permitted in conjunction with accessory buildings. A garage, workroom, storage shed, and recreation room shall not be divided into smaller size rooms and shall be maintained as a single open building.
- (2) Community care facilities/small ~~serving five six or fewer persons; provided, however, that six persons may be served by residential facilities and small family homes.~~
- (3) Home occupations in accordance with division 9 of article VI of this chapter.
- (4) Large family day care home in accordance with division 10 of article VI of this chapter.
- (5) Manufactured home as defined in Health and Safety Code Section 18007.
- (6) Parks and playgrounds or community centers owned and operated by a government agency, including business conducted within the facilities, subject to the approval of the director.

- (7) Private noncommercial greenhouses, horticulture collections, flower gardens, vegetable gardens and fruit trees.
- (8) Primary single-family dwelling units, one per lot, in a permanent location.
- (9) Second dwelling units (one per lot) in accordance with Section 106-358
- (10) Supportive housing.
- (11) Temporary tract sales offices, temporary contractors' equipment offices and storage, subject to approval by the director for a period not to exceed one year with two one-year extensions available, if requested for good cause.
- (12) Transitional housing."

SECTION 6. Section 106-353, "Uses permitted subject to a conditional use permit," relating to conditionally permitted uses within the R-1 Single-Family Residential Zone, of the San Fernando City Code is hereby amended to read as follows:

"Sec. 106-353. Uses permitted subject to a conditional use permit.

In the R-1 single-family residential zone, uses permitted subject to a conditional use permit are as follows:

- (1) Churches, temples or other places of religious worship, with not temporary structures permitted.
- (2) One guesthouse with a minimum lot area of 8,000 square feet.
- (3) Schools.
- (4) Hospitals or sanitariums.
- (5) Community care facilities/large."

SECTION 7. Section 106-488, "Uses permitted subject to a conditional use permit," relating to conditionally permitted uses within the C-1 Limited Commercial Zone, of the San Fernando City Code is hereby amended to read as follows:

"Sec. 106-488. Uses Permitted subject to a conditional use permit.

In the C-1 limited commercial zone, the following uses are permitted subject to a conditional use permit:

- (6) Clubs, lodges and halls.
- (7) Commercial recreation.
- (8) Hotels and motels including Single Room Occupancy unit (SRO) subject to the development standards noted in Section 106-971 of this chapter.
- (9) New automobile sales and display and sales room or lot (used car sales only in conjunction with a new car agency).
- (10) Off-street parking lot.
- (11) On-site and off-site sale of alcoholic beverages.
- (12) Parking lot sales.
- (13) Schools.

- (14) Secondhand stores.
- (15) Museums, art galleries, botanical gardens.”

SECTION 8. Section 106-612, “Permitted Uses,” relating to permitted uses within the M-2 Light Industrial Zone, of the San Fernando City Code is hereby amended to read as follows:

“Sec. 106-612. Permitted uses.

In the M-2 light industrial zone, the following uses are permitted:

- (1) All uses permitted in the M-1 zone.
- (2) Emergency homeless shelters subject to the development standards noted in Section 106-972 of this chapter.
- (3) Manufacturing. Subject to the conditions of this zone, manufacturing, assembling, repairing, testing, processing, warehousing, wholesaling, research or treatment of products may be conducted (other than those which may be obnoxious or offensive because of emission of odor, dust, smoke, gas, noise, vibration or other similar causes detrimental to the public health, safety or general welfare) including but not limited to the following:
 - a. Animal shelter.
 - b. Assaying.
 - c. Automobiles, trailers, boats, recreational vehicles.
 - d. Ceramics, pottery, statuary.
 - e. Heavy equipment sales and rental.
 - f. Ink, polish, enamel.
 - g. Pest control contractors.
 - h. Public service facilities.
 - i. Sandblasting.
 - j. Tile (indoor kiln).
 - k. Wallboard, glass (no blast furnace).
 - l. Blast furnaces as an accessory use and not needing EPA or AQMD approvals.”

SECTION 9. Section 106-971 of the San Fernando City Code, previously reserved, is hereby amended to read as follows:

In the city’s C-1 (Limited Commercial) and C-2 (Commercial) zones, a Single Room Occupancy unit (SRO) shall be subject to the applicable regulations of this division, including the following standards:

- (1) Unit Size. The minimum size of a unit shall be one hundred fifty (150) square feet and the maximum size shall be four hundred (400) square feet. A single room occupancy facility is not required to meet density standards of the general plan.

- (2) Bathroom Facilities. An SRO unit is not required to but may contain partial or full bathroom facilities. A partial bathroom facility shall have at least a toilet and sink; a full facility shall have a toilet, sink, and bathtub, shower, or bathtub/shower combination. If a full bathroom facility is not provided, common bathroom facilities shall be provided in accordance with California Building Code for congregate residences with at least one full bathroom per every three units on a floor. The shared shower or bathtub facility shall be accessible from a common area or hallway. Each shared shower or bathtub facility shall be provided with an interior lockable door.
- (3) Kitchen. An SRO unit is not required to but may contain partial or full kitchen facilities. A full kitchen includes a sink, a refrigerator, and a stove, range top, or oven. A partial kitchen is missing at least one of these appliances. If a full kitchen is not provided, common kitchen facilities shall be provided with at least one full kitchen per floor.
- (4) Closet. Each SRO shall have a separate closet.
- (5) Common Area. Four square feet of interior common space per unit shall be provided, with at least two hundred (200) square feet in area of interior common space, excluding janitorial storage, laundry facilities, and common hallways. All common areas shall comply with all applicable ADA accessibility and adaptability requirements.
- (6) Laundry Facilities. Laundry facilities shall be provided in a separate room at the ratio of one washer and dryer for every ten (10) units, with at least one washer and dryer per floor.
- (7) Cleaning Supply Room. A cleaning supply room or utility closet with a wash tub with hot and cold running water shall be provided on each floor of the SRO facility.
- (8) Management Plan. A management plan shall be submitted with the development application for an SRO facility and shall be approved by the chief planning official. The management plan must address management and operation of the facility, rental procedures, safety and security of the residents and building maintenance.
- (9) Facility Management. An SRO facility with ten (10) or more units shall have an on-site manager. An SRO facility with less than ten (10) units shall provide a management office on-site.
- (10) Parking. Parking shall be provided for an SRO facility at a rate of one standard-size parking space per unit as defined in Section 106-829(1) of this chapter, plus an additional standard-size parking space for the on-site manager.
- (11) Accessibility. All SRO facilities shall comply with all applicable ADA accessibility and adaptability requirements.

- (12) Existing Structures. An existing structure may be converted to an SRO facility, consistent with the provisions of this section.”

SECTION 10. Section 106-972 of the San Fernando City Code, previously reserved, is hereby amended to read as follows:

In the city’s M-2 (Light Industrial) zone, an Emergency Homeless Shelter shall be subject to the applicable regulations of this division, including the following standards:

- (1) Maximum Number of Persons/Beds. The shelter for the homeless shall contain a maximum of 50 beds and shall serve no more than 50 homeless persons.
- (2) Lighting. Adequate external lighting shall be provided for security purposes. The lighting shall be stationary, directed away from adjacent properties and public rights-of-way, and of an intensity compatible with the neighborhood.
- (3) Laundry Facilities. The development shall provide laundry facilities adequate for the number of residents.
- (4) Common Facilities. The development may provide supportive services for homeless residents, including but not limited to: central cooking and dining room(s), recreation room, counseling center, child care facilities, and other support services.
- (5) Security. Parking facilities shall be designed to provide security for residents, visitors, and employees.
- (6) Landscaping. On-site landscaping shall be installed and maintained pursuant to the standards outlined in Section 106-833.
- (7) On-Site Parking. On-site parking for homeless shelters shall be subject to requirements for similarly zoned industrial uses as set forth in Section 106-822(d)(1).
- (8) Outdoor Activity. For the purposes of noise abatement in surrounding residential zoning districts, outdoor activities may only be conducted between the hours of 8:00 a.m. to 10:00 p.m.
- (9) Concentration of Uses. No more than one shelter for the homeless shall be permitted within a radius of 300 feet from another such shelter.
- (10) Refuse. Homeless shelters shall provide a trash storage area as required pursuant to Section 106-897(1) through Section 106-897(3).
- (11) Health and Safety Standards. The shelter for the homeless must comply with all standards set forth in Title 25 of the California Administrative Code (Part 1, Chapter F, Subchapter 12, Section 7972).
- (12) Shelter Provider. The agency or organization operating the shelter shall comply with the following requirements:
 - a. Temporary shelter shall be available to residents for no more than six months if no alternative housing is available.
 - b. Staff and services shall be provided to assist residents to obtain permanent shelter and income. Such services shall be available at no cost to all residents of a provider’s shelter or shelters.
 - c. The provider shall not discriminate in any services provided.
 - d. The provider shall not require participation by residents in any religious or philosophical ritual, service, meeting or rite as a condition of eligibility.

- e. The provider shall have a written management plan including, as applicable, provisions for staff training, neighborhood outreach, security, screening of residents to insure compatibility with services provided at the facility, and for training, counseling, and treatment programs for residents.”

SECTION 11. The City has evaluated any potential environmental impacts associated with the adoption of the proposed ordinance (the “Project”) that provides the appropriate definitions and regulations that allows the establishment of Single Room Occupancy Residential Hotel (SRO) as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones, Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones, Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zone, Manufactured Housing and Transitional Housing and Supportive Housing as permitted uses in all residential districts only subject to those development standards that apply to other residential uses of the same type in the same residential district by the City of San Fernando in order to implement the provisions of Sections 65582, 65583, and 65589.5 of the California Government Code. An Initial Study and Negative Declaration of Environmental Impact have been prepared for the Project in accordance with the provisions of the California Environmental Quality Act (Public Resources Code Section 21000, et seq.), the State CEQA Guidelines (14 Code of Regulations Section 15000, et seq.) and the City’s CEQA procedures. Based upon the Initial Study, the proposed Negative Declaration and the comments thereon, the City Council finds that the Negative Declaration represents the independent judgment of the City and that there is no substantial evidence that the project may have a significant effect on the environment. The documents constituting the record on which this decision is based are on file in the City.

SECTION 12. If any section, subsection, sentence, clause, phrase or portion of this ordinance 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 remaining portions of this ordinance. The San Fernando City Council hereby declares that it would have adopted this ordinance and such section, subsection, sentence, clause, phrase or portion may be declared invalid or unconstitutional.

SECTION 13. Pursuant to California Government Code Section 36937, this ordinance shall take effect and be in full force and effect thirty (30) days after its final approval by the San Fernando City Council.

SECTION 14. The City Clerk shall cause this ordinance to be published and posted in accordance with the requirements noted in California Government Code Section 36933.

SECTION 15. That the Mayor shall sign and that the City Clerk shall attest to the adoption of this ordinance by the City Council of the City of San Fernando at the duly noticed regular meeting held on the ____ day of _____, 2013.

PASSED, APPROVED AND ADOPTED upon second reading this ____ day of ____ 2013.

Antonio G. Lopez
Mayor

ATTEST:

Elena G. Chavez
City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SAN FERNANDO)

I, Elena G. Chávez, City Clerk of the City Council of the City of San Fernando, do hereby certify that the foregoing resolution was duly adopted by the City Council at its meeting held on the __ day of _____ 2013.

AYES:

NOES:

ABSENT:

ABSTAIN:

Elena G. Chavez,
City Clerk



PLANNING AND PRESERVATION COMMISSION STAFF REPORT

DATE: January 8, 2013

TO: SAN FERNANDO PLANNING AND PRESERVATION COMMISSION

FROM: Fred Ramirez, City Planner

SUBJECT: **Zone Text Amendment 2012-01: Implementing Housing Element Program No. 11**

LOCATION: City-wide

PROPOSAL: The proposed zone text amendment would provide the appropriate definitions and regulations that would allow the establishment of: Single Room Occupancy (SRO) residential units as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones; Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones; Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zone; identification of manufactured housing as a permitted use in all residential zones; and, Transitional Housing and Supportive Housing as permitted uses in all residential districts subject only to those development standards that apply to other residential uses of the same type in the same residential district.

APPLICANT: City of San Fernando, Community Development Department, 117 Macneil Street, San Fernando, CA 91340

RECOMMENDATION:

It is recommended that subsequent to staff's presentation and consideration of any public comments, the Planning and Preservation Commission adopt the attached Resolution (Attachment No. 1) recommending to the City Council:

- 1) Adoption of the Initial Study and Negative Declaration (Attachment 2), which determined that the proposed zone text amendment to implement State housing law will not have a significant adverse impact on the environment; and,
 - 2) Adoption of the proposed Ordinance (Attachment 3) that would implement the 2008-2014 General Plan Housing Element's Housing Implementing Program No. 11 (Zoning Ordinance Revisions) by making explicit provisions for emergency homeless shelters, manufactured housing, community care facilities, single residential occupancy units, and transitional and supportive housing as provided under SB 2.
-

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Zone Text Amendment 2012-01: Implementing Housing Element Program No. 11

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BACKGROUND

1. In 2007 the State legislature enacted SB 2 (Cedillo), which requires local jurisdictions to incorporate policies into their general plan housing elements to permit the establishment of: Single Room Occupancy residential units (“SRO”), allow manufactured housing, community care facilities, emergency homeless shelters, transitional and supportive housing as permitted or conditionally permitted uses in specified zoning districts and to amend local ordinances to implement such policies.
2. In April 2009, the City Council adopted the 2008-2014 General Plan Housing Element that includes Housing Implementing Program No. 11 (Zoning Ordinance Revisions). The noted housing program provided for the amendment of “the [city’s] zoning ordinance by December 2009 to make explicit provisions for manufactured housing, community care facilities, SROs, transitional and supportive housing, and emergency shelters. Develop objective standards to regulate emergency shelters as provided under SB 2.” (2008-2014 Housing Element Objective; 2008-2014 Housing Element, V-16 (Housing Plan).) In addition, the housing element provided for the identification of manufactured housing as a permitted use in residential zoning districts.
3. On October 2, 2012, city planning staff provided an overview of the proposed ordinance’s major components including discussion regarding state law mandating identification of zoning districts that can accommodate factory-built/manufactured housing, transitional and supportive housing, single-room occupancy units (“SROs”), community care facilities for seven or more occupants, and emergency homeless shelters. (See Attachment 2.) Based on commission discussion, staff had been directed to develop the draft ordinance for consideration at an upcoming commission meeting. As part of the commission’s direction, staff was also directed to provide additional information regarding the types of households that could be housed under the new housing categories as well as an estimate of the number of emergency homeless shelters that could be developed within the city based on the state requirements for maximum distance separation requirements between similar emergency homeless shelters.
4. On December 4, 2012, the Planning and Preservation Commission directed city planning staff to schedule the proposed ordinance implementing the 2008-2014 Housing Element’s Housing Implementation Program No. 11 for a public hearing in January 2013. Attachment 4 is the December 4, 2012 Staff Report to the Planning and Preservation Commission, which provides a detailed assessment of the proposed zone text amendment.

ANALYSIS:

The intent of the proposed zone text amendment is to provide the appropriate definitions and regulations that would allow the establishment of: Single Room Occupancy (SRO) residential units as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones; Community Care Facilities with seven or more persons as a conditionally permitted use in

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Zone Text Amendment 2012-01: Implementing Housing Element Program No. 11

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all residential zones; Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zone; identification of manufactured housing as a permitted use in all residential zones; and, Transitional Housing and Supportive Housing as permitted uses in all residential districts subject only to those development standards that apply to other residential uses of the same type in the same residential district.

The proposed zone text amendment would allow the city to be in compliance with Housing Implementing Program No. 11 (Zoning Ordinance Revisions) of the 2008-2014 General Plan Housing Element and Senate Bill 2 (Cedillo), which requires local jurisdictions to incorporate policies to permit the establishment of the aforementioned housing types. Furthermore, adoption of the proposed Ordinance amending the city's zoning code consistent with State housing law will ensure that each of the proposed housing types are located appropriately and developed in a manner that maintains the character of existing neighborhoods, industrial corridors and business districts.

CONCLUSION:

In light of the forgoing analysis, it is staff's assessment that in order to comply with State housing law and ensure that the city's zoning code accurately reflects the land use policies as identified in the city's 2008-2014 Housing Element Work Plan (Housing Implementation Program No. 11), it is necessary for the Planning Commission to recommend to the City Council adoption of the zone text amendment pursuant to the attached Ordinance (Attachment 3). Adoption of the ordinance will amend the city's zoning code and provide for manufactured housing, SROs, community care facilities serving seven or more occupants, emergency homeless shelters, and transitional and supportive housing as uses within the city's zoning code, subject to applicable zoning regulations. Furthermore, approval of the proposed zone text amendment will facilitate development of specific types of housing that serve special needs groups within the community.

ATTACHMENTS (4):

1. Resolution No. 2013-01
 2. Initial Study and Negative Declaration
 3. Draft Ordinance
 4. December 4, 2012 Staff Report to the Planning and Preservation Commission
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ATTACHMENT 1:
Resolution No. 2013-01

RESOLUTION NO. 2013-01**RESOLUTION OF THE PLANNING AND PRESERVATION COMMISSION
RECOMMENDING TO THE CITY COUNCIL APPROVAL OF ZONE TEXT
AMENDMENT 2012-01 AND ASSOCIATED ENVIRONMENTAL
ASSESSMENT FOR THE PROPOSED AMENDMENTS TO THE ZONING
CODE RELATED TO THE ESTABLISHMENT OF SINGLE ROOM
OCCUPANCY UNITS, COMMUNITY CARE FACILITIES, EMERGENCY
HOMELESS SHELTERS, MANUFACTURED HOUSING, AND
TRANSITIONAL AND SUPPORTIVE, HOUSING AND MAKING RELATED
FINDINGS THEREWITH**

WHEREAS, in 2007 the State legislature enacted SB 2, which requires local jurisdictions to incorporate policies into their General Plan Housing Elements to allow establishment of: Single Room Occupancy ("SRO") units, Community Care Facilities, Emergency Homeless Shelters, and Transitional and Supporting Housing as permitted or conditionally permitted uses in specified zoning districts and to amend local ordinances to implement such policies; and

WHEREAS, the City Council adopted the General Plan Housing Element in April 2009, which includes Housing Program No. 11 (Zoning Ordinance Revisions) that provides for the development of the appropriate definitions and regulations that would allow establishment of: SRO units as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones; Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones; Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zone, and Transitional Housing and Supportive Housing as permitted uses in all residential districts only subject to those development standards that apply to other residential uses of the same type in the same residential district; and

WHEREAS, pursuant to the California Environmental Quality Act (CEQA) and the City of San Fernando's CEQA Guidelines, the City of San Fernando as the Lead Agency overseeing the environmental review for the proposed Zone Text Amendment 2012-01 has prepared a Draft Initial Study as part of the city's environmental assessment in order to determine the nature and extent of the environmental review required for the proposed project and based on said environmental assessment has determined that any potential significant adverse environmental impacts associated with the project's approval and implementation will be less than significant and has thus prepared a Negative Declaration;

WHEREAS, on January 8, 2013, the Planning and Preservation Commission held a properly noticed public hearing at which it received a report from City staff as well as oral and written testimony from the public, and deliberated the proposed zone text amendment and associated environmental assessment ("the Project").

WHEREAS, the Planning and Preservation Commission's findings and recommendations for approval to the City Council of the proposed zone text amendment and associated environmental assessment were memorialized in writing in the form of Planning and Preservation Commission

Resolution 2013-01 on January 8, 2013;

NOW, THEREFORE, BE IT RESOLVED that the Planning and Preservation Commission finds as follows:

SECTION 1: The Planning Commission finds that all of the facts set forth in this Resolution are true and correct.

SECTION 2: On January 8, 2013, the Planning and Preservation Commission held a duly noticed public hearing to consider the proposed zone text amendment, environmental assessment, and the findings and recommendations made by the Planning and Preservation Commission. Evidence, both written and oral, was presented at said hearing.

A. The public hearing afforded opportunities for public testimony and comments on the Project.

B. Notice of the hearing was given pursuant to San Fernando Municipal Code Section 106-72 and in compliance with Government Code Sections 65090 and 65091, a notice of public hearing for the proposed zone text amendments was advertised in the San Fernando Valley Sun (a local paper of general circulation), ten (10) days prior to the scheduled public hearing before the Planning and Preservation Commission.

SECTION 3: Based upon substantial evidence presented to the Planning and Preservation Commission on January 8, 2013, including public testimony, written materials and written and oral staff reports, with regard to the zone text amendment, the Planning and Preservation Commission concurred with the city planning staff's determination that the amendments will not have a significant adverse impact on the environment as identified in the Initial Study and Negative Declaration and subsequently, recommended that the City Council adopt findings to that effect on January 8, 2013.

SECTION 4: The Planning and Preservation Commission has determined that the proposed zoning text amendment is consistent with the following findings of fact as discussed below:

a) **The proposed zone text amendment is consistent with the objectives, policies, general land uses and programs of the City's General Plan.**

The proposed text amendment to the San Fernando Municipal Code, which provides definitions and regulations for SROs in the C-1 (Limited Commercial) and C-2 (Commercial) zones, community care facilities with seven or more occupants in the City's residential zones, factory built or manufactured housing as a permitted use in all residential zones, and transitional housing and supportive housing within the City's residential zones is consistent with the objectives, policies, general land uses and programs of the City of San Fernando General Plan Housing Element. Per Housing Element Goal 2.0 and Policy 2.1, the proposed zone text amendment is intended to provide adequate housing sites to facilitate the development of a range of residential development types in the city that fulfill regional needs. In addition, the proposed zone text amendment ensures the city

attains its 2008-2014 Housing Element Objective to amend the zoning ordinance to make explicit provisions for manufactured housing, community care facilities, SROs, transitional and supportive housing, and emergency shelters while also developing objective standards for the regulation of emergency homeless shelters as provided for under SB2. Furthermore, providing the required definitions for SROs, community care facilities, emergency homeless shelters, transitional housing and supportive housing as well as establishing the applicable regulations for each proposed use within each specified zoning districts will allow a range of housing types within the City that meets the housing needs of all economic segments of the community while preserving the character of the existing residential neighborhoods and the affected commercial and industrial zoned districts.

b) The adoption of the proposed zone text amendment would not be detrimental to the public interest, health, safety, convenience or welfare.

The proposed revisions to the city zoning ordinance would allow for the introduction of SROs, community care facilities for seven or more persons, factory built or manufactured housing, and transitional and supportive housing units in a manner consistent with the requirements of adopted State legislation while providing specific development standards that assure these new housing units are built in compliance with the City's zoning and building codes. Therefore, the proposed addition of definitions and associated regulations for SROs, community care facilities for seven or more occupants, factory built or manufactured housing, and transitional housing and supportive housing in the specified commercial, industrial or residential zoned districts will ensure the availability of housing for special needs groups within the community in a manner that will not be detrimental to the public interest, health, safety, convenience or welfare.

BE IT FURTHER RESOLVED that based upon the foregoing, the Planning and Preservation Commission hereby recommends approval of Zone Text Amendment 2012-01 and recommends adoption of the Initial Study and Negative Declaration for the zone text amendment to the City Council.

PASSED, APPROVED AND ADOPTED this 8th day of January 2013.

Theale E. Haupt


CHAIRPERSON

ATTEST:


FRED RAMIREZ, SECRETARY TO THE
PLANNING AND PRESERVATION COMMISSION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I, FRED RAMIREZ, Secretary to the Planning and Preservation Commission of the City of San Fernando, do hereby certify that the foregoing Resolution was duly adopted by the Planning and Preservation Commission and signed by the Chairperson of said Planning and Preservation Commission at a meeting held on the 8th day of January 2013; and that the same was passed by the following vote, to wit:

AYES: 4 - A. Durham, Y. Mejia, T. Haupt, and R. Salinas

NOES: 1 – K. Beaulieu

ABSENT: 0 - None

ABSTAIN: 0 - None



FRED RAMIREZ, SECRETARY TO THE
PLANNING AND PRESERVATION COMMISSION

ATTACHMENT 2:

Initial Study and Negative Declaration

DRAFT

**NEGATIVE DECLARATION &
INITIAL STUDY**

**ZONE TEXT AMENDMENT TO IMPLEMENT THE
HOUSING ELEMENT
SAN FERNANDO, CALIFORNIA**



LEAD AGENCY:

**CITY OF SAN FERNANDO
COMMUNITY DEVELOPMENT DEPARTMENT
117 MACNEIL STREET
SAN FERNANDO, CALIFORNIA 91340**

JANUARY 4, 2013

ATTACHMENT 3:
Draft Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SAN FERNANDO, CALIFORNIA AMENDING ARTICLE I OF CHAPTER 106 TO DEFINE SINGLE ROOM OCCUPANCY UNIT, COMMUNITY CARE FACILITIES, EMERGENCY HOMELESS SHELTERS, TRANSITIONAL HOUSING AND SUPPORTIVE HOUSING AND AMENDING ARTICLE III OF CHAPTER 106 TO PROVIDE THAT EMERGENCY SHELTERS ARE PERMITTED USES IN THE M-2 LIGHT INDUSTRIAL ZONE WITH APPLICABLE DEVELOPMENT STANDARDS, SINGLE ROOM OCCUPANCY AS CONDITIONALLY PERMITTED USES IN THE C-1 AND C-2 COMMERCIAL ZONES, COMMUNITY CARE FACILITIES OF SEVEN OR PERSONS AS CONDITIONALLY PERMITTED USES IN ALL RESIDENTIAL ZONES, AND THAT TRANSITIONAL AND SUPPORTIVE HOUSING ARE AND SHALL BE TREATED AS RESIDENTIAL USES, SUBJECT ONLY TO THOSE RESTRICTIONS ON RESIDENTIAL USES APPLICABLE TO THE TYPE OF RESIDENTIAL STRUCTURE OR USE INVOLVED

WHEREAS, in 2007 the State legislature enacted SB 2, which requires local jurisdictions to incorporate policies into their General Plan Housing Elements to allow establishment of: Single Room Occupancy unit ("SRO"), Community Care Facilities, Emergency Homeless Shelters, and Transitional and Supporting Housing as permitted uses in specified zoning districts and to amend local ordinances to implement such policies; and

WHEREAS, the City Council adopted the General Plan Housing Element in April 2009, which includes Housing Program No. 11 (Zoning Ordinance Revisions) that would provide the appropriate definitions and regulations that would allow establishment of: SRO as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones; Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones; Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zone, and Transitional Housing and Supportive Housing as permitted uses in all residential districts only subject to those development standards that apply to other residential uses of the same type in the same residential district; and

WHEREAS, on December 4, 2012, the Planning and Preservation Commission held a properly noticed public hearing at which it received a report from City staff as well as oral and written testimony from the public, and deliberated on the item. At that meeting, the Planning Commission recommended the City Council adopt the proposed zone text amendments in this Ordinance; and

WHEREAS, the City Council public hearing was noticed in accordance with the requirements set forth in Government Code sections 65090 and 65091.

THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES ORDAIN AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and made a part of this Ordinance.

SECTION 2. The City Council hereby finds as follows:

- a) **The proposed zone text amendment is consistent with the objectives, policies, general land uses and programs of the City's General Plan.**

The proposed text amendment to the San Fernando Municipal Code, which provides definitions and regulations for SROs in the C-1 (Limited Commercial) and C-2 (Commercial) zones, community care facilities with seven or more occupants in the City's residential zones, factory built or manufactured housing as a permitted use in all residential zones, and transitional housing and supportive housing within the City's residential zones is consistent with the objectives, policies, general land uses and programs of the City of San Fernando General Plan Housing Element. Per Housing Element Goal 2.0 and Policy 2.1, the proposed zone text amendment is intended to provide adequate housing sites to facilitate the development of a range of residential development types in the city that fulfill regional needs. In addition, the proposed zone text amendment ensures the city attains its 2008-2014 Housing Element Objective to amend the zoning ordinance to make explicit provisions for manufactured housing, community care facilities, SROs, transitional and supportive housing, and emergency shelters while also developing objective standards for the regulation of emergency homeless shelters as provided for under SB2. Furthermore, providing the required definitions for SROs, community care facilities, emergency homeless shelters, transitional housing and supportive housing as well as establishing the applicable regulations for each proposed use within each specified zoning districts will allow a range of housing types within the City that meets the housing needs of all economic segments of the community while preserving the character of the existing residential neighborhoods and the affected commercial and industrial zoned districts.

- b) **The adoption of the proposed zone text amendment would not be detrimental to the public interest, health, safety, convenience or welfare.**

The proposed revisions to the city zoning ordinance would allow for the introduction of SROs, community care facilities for seven or more persons, factory built or manufactured housing, and transitional and supportive housing units in a manner consistent with the requirements of adopted State legislation while providing specific development standards that assure these new housing units are built in compliance with the City's zoning and building codes. Therefore, the proposed addition of definitions and associated regulations for SROs, community care facilities for seven or more occupants, factory built or manufactured housing, and transitional housing and supportive housing in the specified commercial, industrial or residential zoned districts will ensure the availability of housing for special needs groups within the community in a manner that will not be detrimental to the public interest, health, safety, convenience or welfare.

SECTION 3. Section 106-6, "Definitions," of the San Fernando City Code is hereby amended to revise the definition of "community care facility" providing definitions for "community care facility/large" and "community care facilities/small" and to add definitions for "child day care

facility”, “emergency homeless shelter,” “single room occupancy unit,” “supportive housing,” and “transitional housing,” as follows:

Community care facility/Large means any facility as defined in the Health and Safety Code Section 1502(a) ~~and a child care facility as defined in Health and Safety Code Section 1596.750~~, which provides nonmedical care on a 24-hour a day basis to seven or more persons including, but not limited to persons with substance abuse illnesses, physically handicapped, mentally impaired, incompetent persons, and abused or neglected children. ~~Large community care facility shall be in need of personal services, supervision or assistance essential for sustaining activities of daily living or for the protection of the individual on less than a 24-hour a day basis.~~ considered a conditionally permitted use within all residential zoned districts.

Community care facility/Small means any facility as defined in the Health and Safety Code Section 1502(a), which provides nonmedical care on a 24-hour a day basis to six or less persons including, but not limited to persons with substance abuse illnesses, physically handicapped, mentally impaired, incompetent persons, and abused or neglected children. Small community care facility shall be considered a permitted use within all residential zoned districts.

Child day care facility means a facility that provides nonmedical care to children under 18 years of age in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of individuals on a less than a 24-hour basis. Child day care facility includes day care centers, employer-sponsored child day centers, and family day care centers.

Emergency homeless shelter means housing with minimal supportive services for homeless persons that is limited to occupancy of six months per calendar year or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. (Health and Safety Code Section 50801(e)). Supportive services may include, but are not limited to, meal preparation, an activities center, day care for homeless person’s children, vocational rehabilitation and other similar activities.

Single room occupancy unit (SRO) means any building containing five or more guestrooms or units intended or designed to be used, or which are used, rented, or hired out, to be occupied, or which are occupied, for sleeping purposes by residents, which is also the primary residence of those residents. The individual units shall lack either cooking facilities or individual sanitary facilities, or both. However, for purposes of this definition, an SRO does not include residential care homes, senior housing projects, rooming and boarding houses, hotels and motels, bed and breakfast lodging, extended care facilities or hospitals.

Supportive housing means housing with no limit on the length of stay and that is occupied by a target population as defined by Health and Safety Code Section 53260(d), as the same may be amended from time to time, and that provides a significant level of onsite and offsite services that assist the supportive housing residents in retaining the housing, improving their health status, maximizing their ability to live, and when

possible, work in the community. Supportive housing shall be treated under this chapter as a residential use and shall be allowed as a permitted use in all residential zoning districts.

Transitional housing means housing operated under program requirements that call for 1) the termination of any assistance to an existing program recipient and 2) the subsequent recirculation of the assisted residential unit to another eligible program recipient at some predetermined future point in time, which point in time shall be no less than six months into the future (Health and Safety Code Section 50675.2(h)). Transitional housing may provide, but not be limited to, meals, counseling, and other services as well as common areas for residents. Transitional housing may be provided under all residential housing types. In all cases, Transitional housing shall be treated as a residential use under this chapter and shall be subject only to those restrictions that apply to other residential uses of the same residential housing type located in the same zoning district.”

SECTION 4. Section 106-311, “Purpose,” and Sections 106-312 through 106-325, “Reserved,” of the San Fernando City Code are hereby amended to read as follows:

“~~Sec. 106-311. Purpose.~~

~~In accordance with the housing element of the city's general plan, and in keeping with the aim of providing adequate housing for all segments of the population, the planning commission may approve, through the conditional use permit process, transitional or temporary housing facilities in the M-1 and M-2 industrial zones under the following circumstances, and with the following conditions:~~

- ~~(1) — Such facilities must be inspected by the city's building official, the fire department and the Los Angeles County Health Department prior to occupancy, to ensure that the building(s) is safe and habitable.~~
- ~~(2) — The facility must include adequate bathroom and shower facilities. If feasible, washers and dryers should be provided.~~
- ~~(3) — The operator of such premises shall be responsible for maintaining an area within 100 feet of the exterior of the premises free of loitering, littering, consumption of alcoholic beverages, and trash and debris.~~
- ~~(4) — Relevant city staff, such as police and community preservation officials, shall have the authority to enter the premises to ensure that all conditions of operation are being met.~~
- ~~(5) — The maximum stay at any such facility shall be three continuous months. The facility's staff shall be responsible for verifying the identification of each client, and for ensuring the maximum length of residence. The maximum total for any one person at any one facility shall be one year, with a minimum one month gap between each individual gap.~~
- ~~(6) — The community development staff shall be responsible for overall monitoring of such facilities, with assistance by the police department and other relevant city and county agencies. Violations of any of the conditions of operation shall subject the operator/owner of such a facility to a revocation hearing before the planning commission, in conformance with section 30.758 of the Oning ordinance.~~

- (7) ~~The following development standards shall apply to all such facilities, unless the planning commission finds that one or more of the standards is unnecessary or does not apply to the particular situation:~~
- ~~a. adequate lighting shall be provided for the entire site, especially the public areas. All lighting shall be directed away from adjacent properties and the public right of way.~~
 - ~~b. The applicant shall provide common facilities for the use of residents and staff as follows:~~
 - ~~1. Central cooking and dining room(s).~~
 - ~~2. Recreation room.~~
 - ~~3. Child care facilities.~~
 - ~~4. Enclosed refuse area, per section 30.681 of the zoning ordinance.~~
 - ~~c. Outdoor activities shall not continue past 10:00 p.m., if the facility is located within 300 feet of any residential zone.~~
 - ~~d. Any proposed new structure must be located at least 300 feet from the nearest residential zone.~~
- (8) ~~The public hearing on the application for such a facility shall be held in conformance with section 30.790 (Hearings and appeals) of the zoning ordinance.~~

~~Secs. 106-312—106-325. Reserved~~

~~Secs. 106-311—106-325. Reserved.”~~

SECTION 5. Section 106-352, “Permitted Uses,” relating to permitted uses within the R-1 Single-Family Residential Zone, of the San Fernando City Code is hereby amended to read as follows:

“Sec. 106-352. Permitted uses.

In the R-1 single family residential zone, the following uses are permitted:

- (1) Accessory buildings and structures such as a garage, workroom, storage shed, recreation room or cabana located on the same lot as the principal residential use. No bathroom, kitchen plumbing or fixtures or cooking facilities shall be permitted in conjunction with accessory buildings. A garage, workroom, storage shed, and recreation room shall not be divided into smaller size rooms and shall be maintained as a single open building.
- (2) Community care facilities/small ~~serving five six or fewer persons; provided, however, that six persons may be served by residential facilities and small family homes.~~
- (3) Home occupations in accordance with division 9 of article VI of this chapter.
- (4) Large family day care home in accordance with division 10 of article VI of this chapter.
- (5) Manufactured home as defined in Health and Safety Code Section 18007.
- (6) Parks and playgrounds or community centers owned and operated by a government agency, including business conducted within the facilities, subject to the approval of the director.

- (7) Private noncommercial greenhouses, horticulture collections, flower gardens, vegetable gardens and fruit trees.
- (8) Primary single-family dwelling units, one per lot, in a permanent location.
- (9) Second dwelling units (one per lot) in accordance with Section 106-358
- (10) Supportive housing.
- (11) Temporary tract sales offices, temporary contractors' equipment offices and storage, subject to approval by the director for a period not to exceed one year with two one-year extensions available, if requested for good cause.
- (12) Transitional housing."

SECTION 6. Section 106-353, "Uses permitted subject to a conditional use permit," relating to conditionally permitted uses within the R-1 Single-Family Residential Zone, of the San Fernando City Code is hereby amended to read as follows:

"Sec. 106-353. Uses permitted subject to a conditional use permit.

In the R-1 single-family residential zone, uses permitted subject to a conditional use permit are as follows:

- (1) Churches, temples or other places of religious worship, with not temporary structures permitted.
- (2) One guesthouse with a minimum lot area of 8,000 square feet.
- (3) Schools.
- (4) Hospitals or sanitariums.
- (5) Community care facilities/large."

SECTION 7. Section 106-488, "Uses permitted subject to a conditional use permit," relating to conditionally permitted uses within the C-1 Limited Commercial Zone, of the San Fernando City Code is hereby amended to read as follows:

"Sec. 106-488. Uses Permitted subject to a conditional use permit.

In the C-1 limited commercial zone, the following uses are permitted subject to a conditional use permit:

- (6) Clubs, lodges and halls.
- (7) Commercial recreation.
- (8) Hotels and motels including Single Room Occupancy unit (SRO) subject to the development standards noted in Section 106-971 of this chapter.
- (9) New automobile sales and display and sales room or lot (used car sales only in conjunction with a new car agency).
- (10) Off-street parking lot.
- (11) On-site and off-site sale of alcoholic beverages.
- (12) Parking lot sales.
- (13) Schools.

- (14) Secondhand stores.
- (15) Museums, art galleries, botanical gardens.”

SECTION 8. Section 106-612, “Permitted Uses,” relating to permitted uses within the M-2 Light Industrial Zone, of the San Fernando City Code is hereby amended to read as follows:

“Sec. 106-612. Permitted uses.

In the M-2 light industrial zone, the following uses are permitted:

- (1) All uses permitted in the M-1 zone.
- (2) Emergency homeless shelters subject to the development standards noted in Section 106-972 of this chapter.
- (3) Manufacturing. Subject to the conditions of this zone, manufacturing, assembling, repairing, testing, processing, warehousing, wholesaling, research or treatment of products may be conducted (other than those which may be obnoxious or offensive because of emission of odor, dust, smoke, gas, noise, vibration or other similar causes detrimental to the public health, safety or general welfare) including but not limited to the following:
 - a. Animal shelter.
 - b. Assaying.
 - c. Automobiles, trailers, boats, recreational vehicles.
 - d. Ceramics, pottery, statuary.
 - e. Heavy equipment sales and rental.
 - f. Ink, polish, enamel.
 - g. Pest control contractors.
 - h. Public service facilities.
 - i. Sandblasting.
 - j. Tile (indoor kiln).
 - k. Wallboard, glass (no blast furnace).
 - l. Blast furnaces as an accessory use and not needing EPA or AQMD approvals.”

SECTION 9. Section 106-971 of the San Fernando City Code, previously reserved, is hereby amended to read as follows:

In the city’s C-1 (Limited Commercial) and C-2 (Commercial) zones, a Single Room Occupancy unit (SRO) shall be subject to the applicable regulations of this division, including the following standards:

- (1) Unit Size. The minimum size of a unit shall be one hundred fifty (150) square feet and the maximum size shall be four hundred (400) square feet. A single room occupancy facility is not required to meet density standards of the general plan.

- (2) Bathroom Facilities. An SRO unit is not required to but may contain partial or full bathroom facilities. A partial bathroom facility shall have at least a toilet and sink; a full facility shall have a toilet, sink, and bathtub, shower, or bathtub/shower combination. If a full bathroom facility is not provided, common bathroom facilities shall be provided in accordance with California Building Code for congregate residences with at least one full bathroom per every three units on a floor. The shared shower or bathtub facility shall be accessible from a common area or hallway. Each shared shower or bathtub facility shall be provided with an interior lockable door.
- (3) Kitchen. An SRO unit is not required to but may contain partial or full kitchen facilities. A full kitchen includes a sink, a refrigerator, and a stove, range top, or oven. A partial kitchen is missing at least one of these appliances. If a full kitchen is not provided, common kitchen facilities shall be provided with at least one full kitchen per floor.
- (4) Closet. Each SRO shall have a separate closet.
- (5) Common Area. Four square feet of interior common space per unit shall be provided, with at least two hundred (200) square feet in area of interior common space, excluding janitorial storage, laundry facilities, and common hallways. All common areas shall comply with all applicable ADA accessibility and adaptability requirements.
- (6) Laundry Facilities. Laundry facilities shall be provided in a separate room at the ratio of one washer and dryer for every ten (10) units, with at least one washer and dryer per floor.
- (7) Cleaning Supply Room. A cleaning supply room or utility closet with a wash tub with hot and cold running water shall be provided on each floor of the SRO facility.
- (8) Management Plan. A management plan shall be submitted with the development application for an SRO facility and shall be approved by the chief planning official. The management plan must address management and operation of the facility, rental procedures, safety and security of the residents and building maintenance.
- (9) Facility Management. An SRO facility with ten (10) or more units shall have an on-site manager. An SRO facility with less than ten (10) units shall provide a management office on-site.
- (10) Parking. Parking shall be provided for an SRO facility at a rate of one standard-size parking space per unit as defined in Section 106-829(1) of this chapter, plus an additional standard-size parking space for the on-site manager.
- (11) Accessibility. All SRO facilities shall comply with all applicable ADA accessibility and adaptability requirements.

- (12) Existing Structures. An existing structure may be converted to an SRO facility, consistent with the provisions of this section.”

SECTION 10. Section 106-972 of the San Fernando City Code, previously reserved, is hereby amended to read as follows:

In the city’s M-2 (Light Industrial) zone, an Emergency Homeless Shelter shall be subject to the applicable regulations of this division, including the following standards:

- (1) Maximum Number of Persons/Beds. The shelter for the homeless shall contain a maximum of 50 beds and shall serve no more than 50 homeless persons.
- (2) Lighting. Adequate external lighting shall be provided for security purposes. The lighting shall be stationary, directed away from adjacent properties and public rights-of-way, and of an intensity compatible with the neighborhood.
- (3) Laundry Facilities. The development shall provide laundry facilities adequate for the number of residents.
- (4) Common Facilities. The development may provide supportive services for homeless residents, including but not limited to: central cooking and dining room(s), recreation room, counseling center, child care facilities, and other support services.
- (5) Security. Parking facilities shall be designed to provide security for residents, visitors, and employees.
- (6) Landscaping. On-site landscaping shall be installed and maintained pursuant to the standards outlined in Section 106-833.
- (7) On-Site Parking. On-site parking for homeless shelters shall be subject to requirements for similarly zoned industrial uses as set forth in Section 106-822(d)(1).
- (8) Outdoor Activity. For the purposes of noise abatement in surrounding residential zoning districts, outdoor activities may only be conducted between the hours of 8:00 a.m. to 10:00 p.m.
- (9) Concentration of Uses. No more than one shelter for the homeless shall be permitted within a radius of 300 feet from another such shelter.
- (10) Refuse. Homeless shelters shall provide a trash storage area as required pursuant to Section 106-897(1) through Section 106-897(3).
- (11) Health and Safety Standards. The shelter for the homeless must comply with all standards set forth in Title 25 of the California Administrative Code (Part 1, Chapter F, Subchapter 12, Section 7972).
- (12) Shelter Provider. The agency or organization operating the shelter shall comply with the following requirements:
 - a. Temporary shelter shall be available to residents for no more than six months if no alternative housing is available.
 - b. Staff and services shall be provided to assist residents to obtain permanent shelter and income. Such services shall be available at no cost to all residents of a provider’s shelter or shelters.
 - c. The provider shall not discriminate in any services provided.
 - d. The provider shall not require participation by residents in any religious or philosophical ritual, service, meeting or rite as a condition of eligibility.

- e. The provider shall have a written management plan including, as applicable, provisions for staff training, neighborhood outreach, security, screening of residents to insure compatibility with services provided at the facility, and for training, counseling, and treatment programs for residents.

SECTION 11. The City has evaluated any potential environmental impacts associated with the adoption of the proposed ordinance (the “Project”) that provides the appropriate definitions and regulations that allows the establishment of Single Room Occupancy Residential Hotel (SRO) as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones, Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones, Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zone, and Transitional Housing and Supportive Housing as permitted uses in all residential districts only subject to those development standards that apply to other residential uses of the same type in the same residential district by the City of San Fernando in order to implement the provisions of Sections 65582, 65583, and 65589.5 of the California Government Code. An Initial Study and Negative Declaration of Environmental Impact have been prepared for the Project in accordance with the provisions of the California Environmental Quality Act (Public Resources Code Section 21000, et seq.), the State CEQA Guidelines (14 Code of Regulations Section 15000, et seq.) and the City’s CEQA procedures. Based upon the Initial Study, the proposed Negative Declaration and the comments thereon, the City Council finds that the Negative Declaration represents the independent judgment of the City and that there is no substantial evidence that the project may have a significant effect on the environment. The documents constituting the record on which this decision is based are on file in the City.

SECTION 12. If any section, subsection, sentence, clause, phrase or portion of this ordinance 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 remaining portions of this ordinance. The San Fernando City Council hereby declares that it would have adopted this ordinance and such section, subsection, sentence, clause, phrase or portion may be declared invalid or unconstitutional.

SECTION 13. Pursuant to California Government Code Section 36937, this ordinance shall take effect and be in full force and effect thirty (30) days after its final approval by the San Fernando City Council.

SECTION 14. The City Clerk shall cause this ordinance to be published and posted in accordance with the requirements noted in California Government Code Section 36933.

SECTION 15. That the Mayor shall sign and that the City Clerk shall attest to the adoption of this ordinance by the City Council of the City of San Fernando at the duly noticed regular meeting held on the ____ day of _____, 2013.

PASSED, APPROVED AND ADOPTED upon second reading this ____ day of ____ 2013.

Mayor

ATTEST:

City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SAN FERNANDO)

I, Elena G. Chávez, City Clerk of the City Council of the City of San Fernando, do hereby certify that the foregoing resolution was duly adopted by the City Council at its meeting held on the __ day of _____ 2013.

AYES:

NOES:

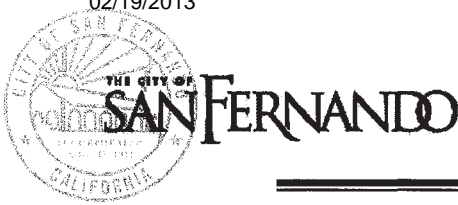
ABSENT:

ABSTAIN:

City Clerk

ATTACHMENT 4:


**December 4, 2012 Staff Report to the
Planning and Preservation Commission**



PLANNING AND PRESERVATION COMMISSION STAFF REPORT

DATE: December 4, 2012

TO: SAN FERNANDO PLANNING AND PRESERVATION COMMISSION

FROM: Fred Ramirez, City Planner 

SUBJECT: **Zone Text Amendment 2012-01: Implementing Housing Element Program No. 11**

LOCATION: City-wide

PROPOSAL: The proposed zone text amendment would provide the appropriate definitions and regulations that would allow the establishment of: Single Room Occupancy (SRO) residential units as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones; Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones; Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zone; identification of manufactured housing as a permitted use in all residential zones; and, Transitional Housing and Supportive Housing as permitted uses in all residential districts subject only to those development standards that apply to other residential uses of the same type in the same residential district.

APPLICANT: City of San Fernando, Community Development Department, 117 Macneil Street, San Fernando, CA 91340

RECOMMENDATION:

It is recommended that the Planning and Preservation Commission review the draft ordinance (Attachment 1) and subsequent to review and comments, direct planning staff to schedule a noticed public hearing in order to consider the proposed zone text amendment and associated environmental assessment.

BACKGROUND

1. In 2007 the State legislature enacted SB 2 (Cedillo), which requires local jurisdictions to incorporate policies into their general plan housing elements to permit the establishment of: Single Room Occupancy residential units ("SRO"), allow manufactured housing, community care facilities, emergency homeless shelters, transitional and supportive housing as permitted or conditionally permitted uses in specified zoning districts and to amend local ordinances to implement such policies.
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2. In April 2009, the City Council adopted the 2008-2014 General Plan Housing Element that includes Housing Implementing Program No. 11 (Zoning Ordinance Revisions). The noted housing program provided for the amendment of “the [city’s] zoning ordinance by December 2009 to make explicit provisions for manufactured housing, community care facilities, SROs, transitional and supportive housing, and emergency shelters. Develop objective standards to regulate emergency shelters as provided under SB 2.” (2008-2014 Housing Element Objective; 2008-2014 Housing Element, V-16 (Housing Plan).) In addition, the housing element provided for the identification of manufactured housing as a permitted use in residential zoning districts.
 3. On October 2, 2012, city planning staff provided an overview of the proposed ordinance’s major components including discussion regarding state law mandating identification of zoning districts that can accommodate factory-built/manufactured housing, transitional and supportive housing, single-room occupancy units (“SROs”), community care facilities for seven or more occupants, and emergency homeless shelters. (See Attachment 2.) Based on commission discussion, staff had been directed to develop the draft ordinance for consideration at an upcoming commission meeting. As part of the commission’s direction, staff was also directed to provide additional information regarding the types of households that could be housed under the new housing categories as well as an estimate of the number of emergency homeless shelters that could be developed within the city based on the state requirements for maximum distance separation requirements between similar emergency homeless shelters. (See Attachment 3.)

ANALYSIS:

Eligible household types. Per State law, populations eligible for the types of housing being proposed include adults with low-income having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services under the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500 of the Welfare and Institutions Code) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people.) (Source: Chapter 633, Statutes of 2007 (SB 2); May 7, 2008 Department of Housing and Community Development Memorandum: Senate Bill 2—Legislation Effective January 1, 2008: Local Planning and Approval for Emergency Shelters and Transitional and Supportive Housing.)

Eligible households for homeless shelters include single males or females, and families. They may include homeless population who are mentally ill, developmentally disabled, veterans, runaways or emancipated foster youth, substance abusers, survivors of domestic violence, and other subpopulations of homeless considered significant by the city.

Transitional housing may be designated for a homeless individual or families transitioning to permanent housing. This housing can involve single family homes, including group housing or

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multifamily units, and may include supportive services to allow individuals to gain necessary life skills in support of independent living.

Supportive housing has no limit on length of stay for individuals and includes persons living with mental disabilities, HIV/AIDS, substance abuse or chronic health conditions or persons whose disabilities originated before the person turned 18. Services typically include assistance designed to meet the needs of the housed persons in order to retain housing, live and work within the community, and/or improve health and may include case management, mental health treatment, and life skills education/training.

Potential sites analysis. Per State law, local ordinances may establish a maximum 300-foot distance separation requirement between emergency homeless shelters. The proposed city ordinance would require a maximum 300-foot distance between emergency homeless shelters within the M-2 (Light Industrial) zone. Based on staff's analysis, ten (13) sites exist within the M-2 zone that are located along First Street (six sites) and Arroyo Avenue (seven sites) that meet the 300-foot distance separation requirement. (See Attachment 4.) Staff evaluated each potential site based on the following criteria: existing uses; duration of occupancy; value of land and building improvements; and the resulting cost per square foot. Based on this analysis, staff determined that the future development of more than one to two of these possible sites as a year-round emergency homeless shelter may not be financially feasible.

As noted in the proposed ordinance, the maximum number of beds allowed for an emergency homeless shelter shall be 50. Based on 2010 Census information, the number of persons identified as "group quarters (non-institutionalized population)" within the City of San Fernando is 46. (*Source: U.S. Census Bureau, American Fact Finder; Table QT-P12, Household Relationship and Group Quarters Population: 2010 Census Summary File 1.*) The U.S. Census Bureau classifies people not living in housing units as living in group quarters. There are two types of group quarters institutionalized (e.g., persons housed in correctional facilities, nursing homes, and hospice facilities) and non-institutional group quarters (e.g., college/university student housing, military quarters, and group homes). The non-institutional group quarters includes emergency and transitional shelters for people experiencing homelessness and group homes. (*Source: <http://www.census.gov/prod/cen2010/doc/sf1.pdf>.*)

State and federal law. California Government Code Section 655583 requires the city's housing element to identify adequate sites for a variety of housing types including factory-built/manufactured housing, transitional and supportive housing, single-room occupancy units ("SROs"), community care facilities for seven or more occupants, and emergency homeless shelters. Government Code Section 65583(a)(4) requires a city to identify one or more zones where emergency homeless shelters are allowed as permitted uses. The identified zone(s) must be able to accommodate at least one year-round emergency homeless shelter. Furthermore, Government Code Section 65583(a)(4)(D)(6), notes that "transitional and supportive housing shall be considered a residential use of property, and shall be subject only to those restrictions that apply to other residential dwellings of the same type in all the same zones."

State law also notes that manufactured or factory-built housing shall be regulated in the same manner as conventional or "stick-built" structures. Specifically, Government Code Section

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65852.3(a) requires that, with the exception of architectural design guidelines, manufactured housing shall only be subject to the same development standards applicable to conventional residential dwellings including, but not limited to, such things as building setbacks, accessory structures provisions, building height maximums, minimum on-site parking requirements, and lot coverage limitations.

Furthermore, federal and state law prohibit discrimination by local government and individuals based on race, color, religion, sex, familial status, marital status, national origin, ancestry or mental or physical disability. California Government Code Section 65008 forbids discrimination against affordable or multi-family housing development proposals, developers or potential residents using planning and zoning powers. Agencies are prohibited not only from exercising bias based on race, sex, age or religion, but from discriminating against developments because the development is subsidized or to be occupied by low or moderate income persons.

Proposed zone text amendments. Adoption of the proposed Ordinance is consistent with the City of San Fernando 2008-2014 housing Element Work Plan, Housing Implementation Program No. 11, which provides zoning ordinance revisions in order to facilitate the provision of a variety of housing types to meet the housing needs of all economic segments of the community. These zoning revisions include:

- Identification of manufactured housing as a permitted use in the city's residential zones;
- Identification of appropriate residential zones for community care facilities with seven or more occupants, subject to a conditional use permit;
- Identification of SROs as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones subject to new development standards;
- Addition of transitional and supportive housing to the definitions section and listing them as a permitted uses within the city's residential zones; and,
- Identification of emergency homeless shelters as permitted uses in the M-2 (Light Industrial) zone. (2008-2014 Housing Element Objective; 2008-2014 Housing Element, V-15 (Housing Plan).)

Adoption of an ordinance amending the city's zoning code consistent with State housing law will ensure that each of the proposed housing types are located appropriately and developed in a manner that maintains the character of existing neighborhoods, industrial corridors and business districts.

CONCLUSION:

In light of the forgoing analysis, it is staff's assessment that in order to comply with State housing law and ensure that the city's zoning code accurately reflects the land use policies as identified in the city's 2008-2014 Housing Element Work Plan (Housing Implementation Program No. 11), it is necessary to adopt the zone text amendment establishing definitions and development standards as well as identifying city zoning districts where specific types of housing are allowed by right or subject to the approval of a conditional use permit.

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Based on the Planning and Preservation Commission's review of the attached draft ordinance and subsequent direction, planning staff will schedule a public hearing to consider a proposed ordinance that amends the city's zoning code and provides for manufactured housing, SROs, community care facilities serving seven or more occupants, emergency homeless shelters, and transitional and supportive housing as uses within the city's zoning code, subject to applicable zoning regulations.

ATTACHMENTS (4):

1. Draft Ordinance
 2. October 2, 2012 Staff Report to the Planning and Preservation Commission
 3. October 2, 2012 Planning and Preservation Commission Minutes
 4. Site Analysis-Zoning Maps
-

ATTACHMENT 1 of the December 4, 2012 Staff
Report to the Planning and Preservation
Commission:

Draft Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SAN FERNANDO, CALIFORNIA AMENDING ARTICLE I OF CHAPTER 106 TO DEFINE SINGLE ROOM OCCUPANCY UNIT, COMMUNITY CARE FACILITIES, EMERGENCY HOMELESS SHELTERS, TRANSITIONAL HOUSING AND SUPPORTIVE HOUSING AND AMENDING ARTICLE III OF CHAPTER 106 TO PROVIDE THAT EMERGENCY SHELTERS ARE PERMITTED USES IN THE M-2 LIGHT INDUSTRIAL ZONE WITH APPLICABLE DEVELOPMENT STANDARDS, SINGLE ROOM OCCUPANCY AS CONDITIONALLY PERMITTED USES IN THE C-1 AND C-2 COMMERCIAL ZONES, COMMUNITY CARE FACILITIES OF SEVEN OR PERSONS AS CONDITIONALLY PERMITTED USES IN ALL RESIDENTIAL ZONES, AND THAT TRANSITIONAL AND SUPPORTIVE HOUSING ARE AND SHALL BE TREATED AS RESIDENTIAL USES, SUBJECT ONLY TO THOSE RESTRICTIONS ON RESIDENTIAL USES APPLICABLE TO THE TYPE OF RESIDENTIAL STRUCTURE OR USE INVOLVED

WHEREAS, in 2007 the State legislature enacted SB 2, which requires local jurisdictions to incorporate policies into their General Plan Housing Elements to allow establishment of: Single Room Occupancy unit ("SRO"), Community Care Facilities, Emergency Homeless Shelters, and Transitional and Supporting Housing as permitted uses in specified zoning districts and to amend local ordinances to implement such policies; and

WHEREAS, the City Council adopted the General Plan Housing Element in April 2009, which includes Housing Program No. 11 (Zoning Ordinance Revisions) that would provide the appropriate definitions and regulations that would allow establishment of: SRO as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones; Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones; Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zone, and Transitional Housing and Supportive Housing as permitted uses in all residential districts only subject to those development standards that apply to other residential uses of the same type in the same residential district; and

WHEREAS, on December 4, 2012, the Planning and Preservation Commission held a properly noticed public hearing at which it received a report from City staff as well as oral and written testimony from the public, and deliberated on the item. At that meeting, the Planning Commission recommended the City Council adopt the proposed zone text amendments in this Ordinance; and

WHEREAS, the City Council public hearing was noticed in accordance with the requirements set forth in Government Code sections 65090 and 65091.

THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES ORDAIN AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and made a part of this Ordinance.

SECTION 2. The City Council hereby finds as follows:

- a) **The proposed zone text amendment is consistent with the objectives, policies, general land uses and programs of the City's General Plan.**

The proposed text amendment to the San Fernando Municipal Code, which provides definitions and regulations for SROs in the C-1 (Limited Commercial) and C-2 (Commercial) zones, community care facilities with seven or more occupants in the City's residential zones, factory built or manufactured housing as a permitted use in all residential zones, and transitional housing and supportive housing within the City's residential zones is consistent with the objectives, policies, general land uses and programs of the City of San Fernando General Plan Housing Element. Per Housing Element Goal 2.0 and Policy 2.1, the proposed zone text amendment is intended to provide adequate housing sites to facilitate the development of a range of residential development types in the city that fulfill regional needs. In addition, the proposed zone text amendment ensures the city attains its 2008-2014 Housing Element Objective to amend the zoning ordinance to make explicit provisions for manufactured housing, community care facilities, SROs, transitional and supportive housing, and emergency shelters while also developing objective standards for the regulation of emergency homeless shelters as provided for under SB2. Furthermore, providing the required definitions for SROs, community care facilities, emergency homeless shelters, transitional housing and supportive housing as well as establishing the applicable regulations for each proposed use within each specified zoning districts will allow a range of housing types within the City that meets the housing needs of all economic segments of the community while preserving the character of the existing residential neighborhoods and the affected commercial and industrial zoned districts.

- b) **The adoption of the proposed zone text amendment would not be detrimental to the public interest, health, safety, convenience or welfare.**

The proposed revisions to the city zoning ordinance would allow for the introduction of SROs, community care facilities for seven or more persons, factory built or manufactured housing, and transitional and supportive housing units in a manner consistent with the requirements of adopted State legislation while providing specific development standards that assure these new housing units are built in compliance with the City's zoning and building codes. Therefore, the proposed addition of definitions and associated regulations for SROs, community care facilities for seven or more occupants, factory built or manufactured housing, and transitional housing and supportive housing in the specified commercial, industrial or residential zoned districts will ensure the availability of housing for special needs groups within the community in a manner that will not be detrimental to the public interest, health, safety, convenience or welfare.

SECTION 3. Section 106-6, "Definitions," of the San Fernando City Code is hereby amended to revise the definition of "community care facility" providing definitions for "community care facility/large" and "community care facilities/small" and to add definitions for "child day care

facility”, “emergency homeless shelter,” “single room occupancy unit,” “supportive housing,” and “transitional housing,” as follows:

Community care facility/Large means any facility as defined in the Health and Safety Code Section 1502(a) ~~and a child care facility as defined in Health and Safety Code Section 1596.750~~, which provides nonmedical care on a 24-hour a day basis to seven or more persons including, but not limited to persons with substance abuse illnesses, physically handicapped, mentally impaired, incompetent persons, and abused or neglected children. ~~Large community care facility shall be in need of personal services, supervision or assistance essential for sustaining activities of daily living or for the protection of the individual on less than a 24-hour a day basis.~~ considered a conditionally permitted use within all residential zoned districts.

Community care facility/Small means any facility as defined in the Health and Safety Code Section 1502(a), which provides nonmedical care on a 24-hour a day basis to six or less persons including, but not limited to persons with substance abuse illnesses, physically handicapped, mentally impaired, incompetent persons, and abused or neglected children. Small community care facility shall be considered a permitted use within all residential zoned districts.

Child day care facility means a facility that provides nonmedical care to children under 18 years of age in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of individuals on a less than a 24-hour basis. Child day care facility includes day care centers, employer-sponsored child day centers, and family day care centers.

Emergency homeless shelter means housing with minimal supportive services for homeless persons that is limited to occupancy of six months per calendar year or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. (Health and Safety Code Section 50801(e)). Supportive services may include, but are not limited to, meal preparation, an activities center, day care for homeless person’s children, vocational rehabilitation and other similar activities.

Single room occupancy unit (SRO) means any building containing five or more guestrooms or units intended or designed to be used, or which are used, rented, or hired out, to be occupied, or which are occupied, for sleeping purposes by residents, which is also the primary residence of those residents. The individual units shall lack either cooking facilities or individual sanitary facilities, or both. However, for purposes of this definition, an SRO does not include residential care homes, senior housing projects, rooming and boarding houses, hotels and motels, bed and breakfast lodging, extended care facilities or hospitals.

Supportive housing means housing with no limit on the length of stay and that is occupied by a target population as defined by Health and Safety Code Section 53260(d), as the same may be amended from time to time, and that provides a significant level of onsite and offsite services that assist the supportive housing residents in retaining the housing, improving their health status, maximizing their ability to live, and when

possible, work in the community. Supportive housing shall be treated under this chapter as a residential use and shall be allowed as a permitted use in all residential zoning districts.

Transitional housing means housing operated under program requirements that call for 1) the termination of any assistance to an existing program recipient and 2) the subsequent recirculation of the assisted residential unit to another eligible program recipient at some predetermined future point in time, which point in time shall be no less than six months into the future (Health and Safety Code Section 50675.2(h)). Transitional housing may provide, but not be limited to, meals, counseling, and other services as well as common areas for residents. Transitional housing may be provided under all residential housing types. In all cases, Transitional housing shall be treated as a residential use under this chapter and shall be subject only to those restrictions that apply to other residential uses of the same residential housing type located in the same zoning district.”

SECTION 4. Section 106-311, “Purpose,” and Sections 106-312 through 106-325, “Reserved,” of the San Fernando City Code are hereby amended to read as follows:

“Sec. 106-311. Purpose.

~~In accordance with the housing element of the city's general plan, and in keeping with the aim of providing adequate housing for all segments of the population, the planning commission may approve, through the conditional use permit process, transitional or temporary housing facilities in the M-1 and M-2 industrial zones under the following circumstances, and with the following conditions:~~

- ~~(1) — Such facilities must be inspected by the city's building official, the fire department and the Los Angeles County Health Department prior to occupancy, to ensure that the building(s) is safe and habitable.~~
- ~~(2) — The facility must include adequate bathroom and shower facilities. If feasible, washers and dryers should be provided.~~
- ~~(3) — The operator of such premises shall be responsible for maintaining an area within 100 feet of the exterior of the premises free of loitering, littering, consumption of alcoholic beverages, and trash and debris.~~
- ~~(4) — Relevant city staff, such as police and community preservation officials, shall have the authority to enter the premises to ensure that all conditions of operation are being met.~~
- ~~(5) — The maximum stay at any such facility shall be three continuous months. The facility's staff shall be responsible for verifying the identification of each client, and for ensuring the maximum length of residence. The maximum total for any one person at any one facility shall be one year, with a minimum one-month gap between each individual gap.~~
- ~~(6) — The community development staff shall be responsible for overall monitoring of such facilities, with assistance by the police department and other relevant city and county agencies. Violations of any of the conditions of operation shall subject the operator/owner of such a facility to a revocation hearing before the planning commission, in conformance with section 30.758 of the Oning ordinance.~~

- (7) ~~The following development standards shall apply to all such facilities, unless the planning commission finds that one or more of the standards is unnecessary or does not apply to the particular situation:~~
- ~~a. adequate lighting shall be provided for the entire site, especially the public areas. All lighting shall be directed away from adjacent properties and the public right of way.~~
 - ~~b. The applicant shall provide common facilities for the use of residents and staff as follows:~~
 - ~~1. Central cooking and dining room(s).~~
 - ~~2. Recreation room.~~
 - ~~3. Child care facilities.~~
 - ~~4. Enclosed refuse area, per section 30.681 of the zoning ordinance.~~
 - ~~c. Outdoor activities shall not continue past 10:00 p.m., if the facility is located within 300 feet of any residential zone.~~
 - ~~d. Any proposed new structure must be located at least 300 feet from the nearest residential zone.~~
- (8) ~~The public hearing on the application for such a facility shall be held in conformance with section 30.790 (Hearings and appeals) of the zoning ordinance.~~

~~Secs. 106-312—106-325. Reserved~~

~~Secs. 106-311—106-325. Reserved.”~~

SECTION 5. Section 106-352, “Permitted Uses,” relating to permitted uses within the R-1 Single-Family Residential Zone, of the San Fernando City Code is hereby amended to read as follows:

“Sec. 106-352. Permitted uses.

In the R-1 single family residential zone, the following uses are permitted:

- (1) Accessory buildings and structures such as a garage, workroom, storage shed, recreation room or cabana located on the same lot as the principal residential use. No bathroom, kitchen plumbing or fixtures or cooking facilities shall be permitted in conjunction with accessory buildings. A garage, workroom, storage shed, and recreation room shall not be divided into smaller size rooms and shall be maintained as a single open building.
- (2) Community care facilities/small ~~serving five six or fewer persons; provided, however, that six persons may be served by residential facilities and small family homes.~~
- (3) Home occupations in accordance with division 9 of article VI of this chapter.
- (4) Large family day care home in accordance with division 10 of article VI of this chapter.
- (5) Manufactured home as defined in Health and Safety Code Section 18007.
- (6) Parks and playgrounds or community centers owned and operated by a government agency, including business conducted within the facilities, subject to the approval of the director.

- (7) Private noncommercial greenhouses, horticulture collections, flower gardens, vegetable gardens and fruit trees.
- (8) Primary single-family dwelling units, one per lot, in a permanent location.
- (9) Second dwelling units (one per lot) in accordance with Section 106-358
- (10) Supportive housing.
- (11) Temporary tract sales offices, temporary contractors' equipment offices and storage, subject to approval by the director for a period not to exceed one year with two one-year extensions available, if requested for good cause.
- (12) Transitional housing."

SECTION 6. Section 106-353, "Uses permitted subject to a conditional use permit," relating to conditionally permitted uses within the R-1 Single-Family Residential Zone, of the San Fernando City Code is hereby amended to read as follows:

"Sec. 106-353. Uses permitted subject to a conditional use permit.

In the R-1 single-family residential zone, uses permitted subject to a conditional use permit are as follows:

- (1) Churches, temples or other places of religious worship, with not temporary structures permitted.
- (2) One guesthouse with a minimum lot area of 8,000 square feet.
- (3) Schools.
- (4) Hospitals or sanitariums.
- (5) Community care facilities/large."

SECTION 7. Section 106-488, "Uses permitted subject to a conditional use permit," relating to conditionally permitted uses within the C-1 Limited Commercial Zone, of the San Fernando City Code is hereby amended to read as follows:

"Sec. 106-488. Uses Permitted subject to a conditional use permit.

In the C-1 limited commercial zone, the following uses are permitted subject to a conditional use permit:

- (6) Clubs, lodges and halls.
- (7) Commercial recreation.
- (8) Hotels and motels including Single Room Occupancy unit (SRO) subject to the development standards noted in Section 106-971 of this chapter.
- (9) New automobile sales and display and sales room or lot (used car sales only in conjunction with a new car agency).
- (10) Off-street parking lot.
- (11) On-site and off-site sale of alcoholic beverages.
- (12) Parking lot sales.
- (13) Schools.

- (14) Secondhand stores.
- (15) Museums, art galleries, botanical gardens.”

SECTION 8. Section 106-612, “Permitted Uses,” relating to permitted uses within the M-2 Light Industrial Zone, of the San Fernando City Code is hereby amended to read as follows:

“Sec. 106-612. Permitted uses.

In the M-2 light industrial zone, the following uses are permitted:

- (1) All uses permitted in the M-1 zone.
- (2) Emergency homeless shelters subject to the development standards noted in Section 106-972 of this chapter.
- (3) Manufacturing. Subject to the conditions of this zone, manufacturing, assembling, repairing, testing, processing, warehousing, wholesaling, research or treatment of products may be conducted (other than those which may be obnoxious or offensive because of emission of odor, dust, smoke, gas, noise, vibration or other similar causes detrimental to the public health, safety or general welfare) including but not limited to the following:
 - a. Animal shelter.
 - b. Assaying.
 - c. Automobiles, trailers, boats, recreational vehicles.
 - d. Ceramics, pottery, statuary.
 - e. Heavy equipment sales and rental.
 - f. Ink, polish, enamel.
 - g. Pest control contractors.
 - h. Public service facilities.
 - i. Sandblasting.
 - j. Tile (indoor kiln).
 - k. Wallboard, glass (no blast furnace).
 - l. Blast furnaces as an accessory use and not needing EPA or AQMD approvals.”

SECTION 9. Section 106-971 of the San Fernando City Code, previously reserved, is hereby amended to read as follows:

In the city’s C-1 (Limited Commercial) and C-2 (Commercial) zones, a Single Room Occupancy unit (SRO) shall be subject to the applicable regulations of this division, including the following standards:

- (1) Unit Size. The minimum size of a unit shall be one hundred fifty (150) square feet and the maximum size shall be four hundred (400) square feet. A single room occupancy facility is not required to meet density standards of the general plan.

- (2) Bathroom Facilities. An SRO unit is not required to but may contain partial or full bathroom facilities. A partial bathroom facility shall have at least a toilet and sink; a full facility shall have a toilet, sink, and bathtub, shower, or bathtub/shower combination. If a full bathroom facility is not provided, common bathroom facilities shall be provided in accordance with California Building Code for congregate residences with at least one full bathroom per every three units on a floor. The shared shower or bathtub facility shall be accessible from a common area or hallway. Each shared shower or bathtub facility shall be provided with an interior lockable door.
- (3) Kitchen. An SRO unit is not required to but may contain partial or full kitchen facilities. A full kitchen includes a sink, a refrigerator, and a stove, range top, or oven. A partial kitchen is missing at least one of these appliances. If a full kitchen is not provided, common kitchen facilities shall be provided with at least one full kitchen per floor.
- (4) Closet. Each SRO shall have a separate closet.
- (5) Common Area. Four square feet of interior common space per unit shall be provided, with at least two hundred (200) square feet in area of interior common space, excluding janitorial storage, laundry facilities, and common hallways. All common areas shall comply with all applicable ADA accessibility and adaptability requirements.
- (6) Laundry Facilities. Laundry facilities shall be provided in a separate room at the ratio of one washer and dryer for every ten (10) units, with at least one washer and dryer per floor.
- (7) Cleaning Supply Room. A cleaning supply room or utility closet with a wash tub with hot and cold running water shall be provided on each floor of the SRO facility.
- (8) Management Plan. A management plan shall be submitted with the development application for an SRO facility and shall be approved by the chief planning official. The management plan must address management and operation of the facility, rental procedures, safety and security of the residents and building maintenance.
- (9) Facility Management. An SRO facility with ten (10) or more units shall have an on-site manager. An SRO facility with less than ten (10) units shall provide a management office on-site.
- (10) Parking. Parking shall be provided for an SRO facility at a rate of one standard-size parking space per unit as defined in Section 106-829(1) of this chapter, plus an additional standard-size parking space for the on-site manager.
- (11) Accessibility. All SRO facilities shall comply with all applicable ADA accessibility and adaptability requirements.

- (12) Existing Structures. An existing structure may be converted to an SRO facility, consistent with the provisions of this section.”

SECTION 10. Section 106-972 of the San Fernando City Code, previously reserved, is hereby amended to read as follows:

In the city’s M-2 (Light Industrial) zone, an Emergency Homeless Shelter shall be subject to the applicable regulations of this division, including the following standards:

- (1) Maximum Number of Persons/Beds. The shelter for the homeless shall contain a maximum of 50 beds and shall serve no more than 50 homeless persons.
- (2) Lighting. Adequate external lighting shall be provided for security purposes. The lighting shall be stationary, directed away from adjacent properties and public rights-of-way, and of an intensity compatible with the neighborhood.
- (3) Laundry Facilities. The development shall provide laundry facilities adequate for the number of residents.
- (4) Common Facilities. The development may provide supportive services for homeless residents, including but not limited to: central cooking and dining room(s), recreation room, counseling center, child care facilities, and other support services.
- (5) Security. Parking facilities shall be designed to provide security for residents, visitors, and employees.
- (6) Landscaping. On-site landscaping shall be installed and maintained pursuant to the standards outlined in Section 106-833.
- (7) On-Site Parking. On-site parking for homeless shelters shall be subject to requirements for similarly zoned industrial uses as set forth in Section 106-822(d)(1).
- (8) Outdoor Activity. For the purposes of noise abatement in surrounding residential zoning districts, outdoor activities may only be conducted between the hours of 8:00 a.m. to 10:00 p.m.
- (9) Concentration of Uses. No more than one shelter for the homeless shall be permitted within a radius of 300 feet from another such shelter.
- (10) Refuse. Homeless shelters shall provide a trash storage area as required pursuant to Section 106-897(1) through Section 106-897(3).
- (11) Health and Safety Standards. The shelter for the homeless must comply with all standards set forth in Title 25 of the California Administrative Code (Part 1, Chapter F, Subchapter 12, Section 7972).
- (12) Shelter Provider. The agency or organization operating the shelter shall comply with the following requirements:
 - a. Temporary shelter shall be available to residents for no more than six months if no alternative housing is available.
 - b. Staff and services shall be provided to assist residents to obtain permanent shelter and income. Such services shall be available at no cost to all residents of a provider’s shelter or shelters.
 - c. The provider shall not discriminate in any services provided.
 - d. The provider shall not require participation by residents in any religious or philosophical ritual, service, meeting or rite as a condition of eligibility.

- e. The provider shall have a written management plan including, as applicable, provisions for staff training, neighborhood outreach, security, screening of residents to insure compatibility with services provided at the facility, and for training, counseling, and treatment programs for residents.

SECTION 11. The City has evaluated any potential environmental impacts associated with the adoption of the proposed ordinance (the “Project”) that provides the appropriate definitions and regulations that allows the establishment of Single Room Occupancy Residential Hotel (SRO) as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones, Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones, Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zone, and Transitional Housing and Supportive Housing as permitted uses in all residential districts only subject to those development standards that apply to other residential uses of the same type in the same residential district by the City of San Fernando in order to implement the provisions of Sections 65582, 65583, and 65589.5 of the California Government Code. An Initial Study and Negative Declaration of Environmental Impact have been prepared for the Project in accordance with the provisions of the California Environmental Quality Act (Public Resources Code Section 21000, et seq.), the State CEQA Guidelines (14 Code of Regulations Section 15000, et seq.) and the City’s CEQA procedures. Based upon the Initial Study, the proposed Negative Declaration and the comments thereon, the City Council finds that the Negative Declaration represents the independent judgment of the City and that there is no substantial evidence that the project may have a significant effect on the environment. The documents constituting the record on which this decision is based are on file in the City.

SECTION 12. If any section, subsection, sentence, clause, phrase or portion of this ordinance 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 remaining portions of this ordinance. The San Fernando City Council hereby declares that it would have adopted this ordinance and such section, subsection, sentence, clause, phrase or portion may be declared invalid or unconstitutional.

SECTION 13. Pursuant to California Government Code Section 36937, this ordinance shall take effect and be in full force and effect thirty (30) days after its final approval by the San Fernando City Council.

SECTION 14. The City Clerk shall cause this ordinance to be published and posted in accordance with the requirements noted in California Government Code Section 36933.

SECTION 15. That the Mayor shall sign and that the City Clerk shall attest to the adoption of this ordinance by the City Council of the City of San Fernando at the duly noticed regular meeting held on the ____ day of _____, 2013.

PASSED, APPROVED AND ADOPTED upon second reading this ____ day of ____ 2013.

Mayor

ATTEST:

City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SAN FERNANDO)

I, Elena G. Chávez, City Clerk of the City Council of the City of San Fernando, do hereby certify that the foregoing resolution was duly adopted by the City Council at its meeting held on the __ day of _____ 2013.

AYES:

NOES:

ABSENT:

ABSTAIN:

City Clerk

**ATTACHMENT 2 of the December 4, 2012 Staff
Report to the Planning and Preservation
Commission:**


**October 2, 2012 Staff Report to the Planning and
Preservation Commission**

**SAN FERNANDO**

PLANNING AND PRESERVATION COMMISSION STAFF REPORT

DATE: October 2, 2012

TO: SAN FERNANDO PLANNING AND PRESERVATION COMMISSION

FROM: Fred Ramirez, City Planner 

SUBJECT: **Zone Text Amendment 2012-01: Implementing Housing Element Program No. 11**

LOCATION: City-wide

PROPOSAL: The proposed zone text amendment would provide the appropriate definitions and regulations that would allow the establishment of: Single Room Occupancy (SRO) residential units as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones; Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones; Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zone; identification of manufactured housing as a permitted use in all residential zones; and, Transitional Housing and Supportive Housing as permitted uses in all residential districts subject only to those development standards that apply to other residential uses of the same type in the same residential district.

APPLICANT: City of San Fernando, Community Development Department, 117 Macneil Street, San Fernando, CA 91340

RECOMMENDATION:

It is recommended that subsequent to the staff presentation on the item, that the Planning and Preservation Commission direct planning staff to schedule consideration of the proposed zone text amendment and associated environment assessment for the next scheduled commission meeting in November 2012.

BACKGROUND

1. In 2007 the State legislature enacted SB 2 (Cedillo), which requires local jurisdictions to incorporate policies into their general plan housing elements to permit the establishment of: Single Room Occupancy residential units ("SRO"), allow manufactured housing, community care facilities, emergency homeless shelters, transitional and supportive housing as permitted or conditionally permitted uses in specified zoning districts and to amend local ordinances to implement such policies.
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2. In April 2009, the City Council adopted the 2008-2014 General Plan Housing Element that includes Housing Implementing Program No. 11 (Zoning Ordinance Revisions). The noted housing program provided for the amendment of “the [city’s] zoning ordinance by December 2009 to make explicit provisions for manufactured housing, community care facilities, SROs, transitional and supportive housing, and emergency shelters. Develop objective standards to regulate emergency shelters as provided under SB 2.” (2008-2014 Housing Element Objective; 2008-2014 Housing Element, V-16 (Housing Plan).) In addition, the housing element provided for the identification of manufactured housing as a permitted use in residential zoning districts.

ANALYSIS:

State law. California Government Code Section 655583 requires the city’s housing element to identify adequate sites for a variety of housing types including factory-built/manufactured housing, transitional and supportive housing, single-room occupancy units (“SROs”), community care facilities for seven or more occupants, and emergency homeless shelters. Government Code Section 65583(a)(4) and requires of one or more zones where emergency homeless shelters are permitted uses. The identified zone(s) must be able to accommodate at least one year-round emergency homeless shelter. Government Code Section 65583(a)(4)(D)(6), notes that “transitional and supportive housing shall be considered a residential use of property, and shall be subject only to those restrictions that apply to other residential dwellings of the same type in all the same zones.”

State law also notes that manufactured or factory-built housing shall be regulated in the same manner as conventional or “stick-built” structures. Specifically, Government Code Section 65852.3(a) requires that with the exception of architectural design guidelines, manufactured housing shall only be subject to the same development standards applicable to conventional residential dwellings including, but not limited to such things as building setbacks, accessory structures provisions, building height maximums, minimum on-site parking requirements, and lot coverage limitations.

Proposed zone text amendments. Adoption of the proposed Ordinance is consistent with the City of San Fernando 2008-2014 housing Element Work Plan, Housing Implementation Program No. 11, which provides zoning ordinance revisions in order to facilitate the provision of a variety of housing types to meet the housing needs of all economic segments of the community. These zoning revisions include:

- Identification of manufactured housing as a permitted use in the city’s residential zones;
 - Identification of appropriate residential zones for community care facilities with seven or more occupants, subject to conditional use permit;
 - Identification of SROs as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones subject to new development standards;
 - Addition of transitional and supportive housing to the definitions section and listing as a permitted use within the city’s residential zones; and,
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- Identification of emergency homeless shelters as permitted uses in the M-2 (Light Industrial) zone. (2008-2014 Housing Element Objective; 2008-2014 Housing Element, V-15 (Housing Plan).)

Adoption of an ordinance amending the city's zoning code consistent with State housing law will ensure that each of the proposed housing types are located appropriately and developed in a manner that maintains the character of existing neighborhoods, industrial corridors and business districts.

CONCLUSION:

In light of the forgoing analysis, it is staff's assessment that in order to comply with State housing law and ensure that the city's zoning code accurately reflects the land use policies as identified in the city's 2008-2014 Housing Element, Work Plan (Housing Implementation Program No. 11) it is necessary to adopt the zone text amendment establishing definitions and development standards as well as identifying city zoning districts where specific types of housing are allowed by right or subject to the approval of a conditional use permit.

At the November 6, 2012, Planning and Preservation Commission Meeting, planning staff will schedule a public hearing to consider a proposed ordinance that amends the city's zoning code and provides for manufactured housing, SROs, community care facilities serving seven or more occupants, emergency homeless shelters, and transitional and supportive housing as uses within the city's zoning code, subject to applicable zoning regulations.

ATTACHMENTS (3):

1. Senate Bill 2
 2. 2008-2014 City of San Fernando Housing Element excerpt (Housing Plan Pages V-15 and V-16)
 3. Existing City Zoning regarding allowable land uses in residential, commercial, and industrial zones as well as current regulations for transitional housing
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ATTACHMENT 1:

Senate Bill 2

ATTACHMENT 1

Senate Bill No. 2**CHAPTER 633**

An act to amend Sections 65582, 65583, and 65589.5 of the Government Code, relating to local planning.

[Approved by Governor October 13, 2007. Filed with
Secretary of State October 13, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

SB 2, Cedillo. Local planning.

(1) The Planning and Zoning Law requires the housing element of the general plan of a city, county, or city and county to contain, among other things, an assessment of housing needs, including an inventory of land suitable for residential development, and a program with a 5-year schedule of actions that the local government is undertaking or intends to undertake to implement the goals and objectives of the housing element. This program is also required to identify adequate sites with zoning that permits owner-occupied and multifamily residential use by right, including the development of farmworker housing for low- and very low income households.

This bill would add emergency shelters to these provisions, as specified, and would add provisions to the housing element that would require a local government to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit. The bill would also authorize a local government to satisfy all or part of this requirement by adopting and implementing a multijurisdictional agreement, as specified, and would delete multifamily residential use from these provisions. By increasing the duties of local public officials, the bill would create a state-mandated local program.

(2) The Planning and Zoning Law requires that a local agency not disapprove a housing development project, including farmworker housing, for very low, low-, or moderate-income households or condition its approval, including through the use of design review standards, in a manner that renders the project infeasible for development for those households unless it makes written findings, based upon substantial evidence in the record, as to one of a number of specified conditions.

This bill would add supportive housing, transitional housing, and emergency shelters to these provisions and would revise the conditions upon which a disapproval or a conditional approval of an emergency shelter is based. The bill would define supportive housing and transitional housing. By increasing the duties of local public officials, the bill would impose a state-mandated local program.

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(3) The bill would also make other technical and conforming changes to these provisions.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) Homelessness is a statewide problem that affects many cities and counties. There are an estimated 360,000 homeless individuals and families in California. In some counties, like Los Angeles, an estimated 254,000 men, women, and children experience homelessness over the course of each year. Some of the causes of homelessness are mental illness, substance abuse, prison release, and lack of affordable housing.

(b) Because homelessness affects people of all races, gender, age, and geographic location there is a growing need for every city and county to plan for the location of adequate emergency shelters. Many people experiencing homelessness, primarily youth and single individuals, need shelter but also have a need for residential substance abuse and mental health services.

(c) The lack or shortage of emergency shelters for homeless individuals and families in cities and counties across the state leads to the concentration of services in inner cities and poor communities, like the skid row area in downtown Los Angeles.

(d) In order to ensure access to services in every city and county for homeless individuals and families, it is important that cities and counties plan for these services to address the special needs and circumstances of this threatened population.

(e) It is the responsibility of cities and counties to plan and identify areas for emergency shelters. Cities and counties should include this as part of their planning process and locate emergency shelters where most appropriate in their community. The state should not dictate where these emergency shelters should be located.

(f) It is the responsibility of the Legislature to promote strong communities and ensure that housing and residential services are available in all communities.

SEC. 2. Section 65582 of the Government Code is amended to read:

65582. As used in this article, the following definitions apply:

(a) "Community," "locality," "local government," or "jurisdiction" means a city, city and county, or county.

(b) "Council of governments" means a single or multicounty council created by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 1 of Title 1.

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(c) "Department" means the Department of Housing and Community Development.

(d) "Emergency shelter" has the same meaning as defined in subdivision (e) of Section 50801 of the Health and Safety Code.

(e) "Housing element" or "element" means the housing element of the community's general plan, as required pursuant to this article and subdivision (c) of Section 65302.

(f) "Supportive housing" has the same meaning as defined in subdivision (b) of Section 50675.14 of the Health and Safety Code.

(g) "Transitional housing" has the same meaning as defined in subdivision (h) of Section 50675.2 of the Health and Safety Code.

SEC. 3. Section 65583 of the Government Code is amended to read:

65583. The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobilehomes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community. The element shall contain all of the following:

(a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include all of the following:

(1) An analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels, including extremely low income households, as defined in subdivision (b) of Section 50105 and Section 50106 of the Health and Safety Code. These existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584. Local agencies shall calculate the subset of very low income households allotted under Section 65584 that qualify as extremely low income households. The local agency may either use available census data to calculate the percentage of very low income households that qualify as extremely low income households or presume that 50 percent of the very low income households qualify as extremely low income households. The number of extremely low income households and very low income households shall equal the jurisdiction's allocation of very low income households pursuant to Section 65584.

(2) An analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.

(3) An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.

(4) (A) The identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit. The identified zone or zones shall include sufficient

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capacity to accommodate the need for emergency shelter identified in paragraph (7), except that each local government shall identify a zone or zones that can accommodate at least one year-round emergency shelter. If the local government cannot identify a zone or zones with sufficient capacity, the local government shall include a program to amend its zoning ordinance to meet the requirements of this paragraph within one year of the adoption of the housing element. The local government may identify additional zones where emergency shelters are permitted with a conditional use permit. The local government shall also demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of, or conversion to, emergency shelters. Emergency shelters may only be subject to those development and management standards that apply to residential or commercial development within the same zone except that a local government may apply written, objective standards that include all of the following:

(i) The maximum number of beds or persons permitted to be served nightly by the facility.

(ii) Off-street parking based upon demonstrated need, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone.

(iii) The size and location of exterior and interior onsite waiting and client intake areas.

(iv) The provision of onsite management.

(v) The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart.

(vi) The length of stay.

(vii) Lighting.

(viii) Security during hours that the emergency shelter is in operation.

(B) The permit processing, development, and management standards applied under this paragraph shall not be deemed to be discretionary acts within the meaning of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(C) A local government that can demonstrate to the satisfaction of the department the existence of one or more emergency shelters either within its jurisdiction or pursuant to a multijurisdictional agreement that can accommodate that jurisdiction's need for emergency shelter identified in paragraph (7) may comply with the zoning requirements of subparagraph (A) by identifying a zone or zones where new emergency shelters are allowed with a conditional use permit.

(D) A local government with an existing ordinance or ordinances that comply with this paragraph shall not be required to take additional action to identify zones for emergency shelters. The housing element must only describe how existing ordinances, policies, and standards are consistent with the requirements of this paragraph.

(5) An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of

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subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (6), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (6). Transitional housing and supportive housing shall be considered a residential use of property, and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.

(6) An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.

(7) An analysis of any special housing needs, such as those of the elderly, persons with disabilities, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter. The need for emergency shelter shall be assessed based on annual and seasonal need. The need for emergency shelter may be reduced by the number of supportive housing units that are identified in an adopted 10-year plan to end chronic homelessness and that are either vacant or for which funding has been identified to allow construction during the planning period.

(8) An analysis of opportunities for energy conservation with respect to residential development.

(9) An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted housing developments," for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees. "Assisted housing developments" shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65916.

(A) The analysis shall include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year during the 10-year period. For purposes of state and federally funded projects, the analysis required by this subparagraph need only contain information available on a statewide basis.

(B) The analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that

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could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately for each five-year period and does not have to contain a project-by-project cost estimate.

(C) The analysis shall identify public and private nonprofit corporations known to the local government which have legal and managerial capacity to acquire and manage these housing developments.

(D) The analysis shall identify and consider the use of all federal, state, and local financing and subsidy programs which can be used to preserve, for lower income households, the assisted housing developments, identified in this paragraph, including, but not limited to, federal Community Development Block Grant Program funds, tax increment funds received by a redevelopment agency of the community, and administrative fees received by a housing authority operating within the community. In considering the use of these financing and subsidy programs, the analysis shall identify the amounts of funds under each available program which have not been legally obligated for other purposes and which could be available for use in preserving assisted housing developments.

(b) (1) A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.

(2) It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category, including extremely low income, that can be constructed, rehabilitated, and conserved over a five-year time period.

(c) A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available and the utilization of moneys in a low- and moderate-income housing fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law (Division 24 (commencing with Section 33000) of the Health and Safety Code). In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:

(1) Identify actions that will be taken to make sites available during the planning period of the general plan with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory

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completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.

(A) Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall identify sites that can be developed for housing within the planning period pursuant to subdivision (h) of Section 65583.2.

(B) Where the inventory of sites pursuant to paragraph (3) of subdivision (a) does not identify adequate sites to accommodate the need for farmworker housing, the program shall provide for sufficient sites to meet the need with zoning that permits farmworker housing use by right, including density and development standards that could accommodate and facilitate the feasibility of the development of farmworker housing for low- and very low income households.

(2) Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.

(3) Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.

(4) Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action.

(5) Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.

(6) Preserve for lower income households the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance.

(7) The program shall include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals. The local government shall make a diligent effort to achieve public participation of all economic segments of the

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community in the development of the housing element, and the program shall describe this effort.

(d) (1) A local government may satisfy all or part of its requirement to identify a zone or zones suitable for the development of emergency shelters pursuant to paragraph (4) of subdivision (a) by adopting and implementing a multijurisdictional agreement, with a maximum of two other adjacent communities, that requires the participating jurisdictions to develop at least one year-round emergency shelter within two years of the beginning of the planning period.

(2) The agreement shall allocate a portion of the new shelter capacity to each jurisdiction as credit towards its emergency shelter need, and each jurisdiction shall describe how the capacity was allocated as part of its housing element.

(3) Each member jurisdiction of a multijurisdictional agreement shall describe in its housing element all of the following:

(A) How the joint facility will meet the jurisdiction's emergency shelter need.

(B) The jurisdiction's contribution to the facility for both the development and ongoing operation and management of the facility.

(C) The amount and source of the funding that the jurisdiction contributes to the facility.

(4) The aggregate capacity claimed by the participating jurisdictions in their housing elements shall not exceed the actual capacity of the shelter.

(e) Except as otherwise provided in this article, amendments to this article that alter the required content of a housing element shall apply to both of the following:

(1) A housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when a city, county, or city and county submits a draft to the department for review pursuant to Section 65585 more than 90 days after the effective date of the amendment to this section.

(2) Any housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when the city, county, or city and county fails to submit the first draft to the department before the due date specified in Section 65588 or 65584.02.

SEC. 4. Section 65589.5 of the Government Code is amended to read: 65589.5. (a) The Legislature finds and declares all of the following:

(1) The lack of housing, including emergency shelters, is a critical problem that threatens the economic, environmental, and social quality of life in California.

(2) California housing has become the most expensive in the nation. The excessive cost of the state's housing supply is partially caused by activities and policies of many local governments that limit the approval of housing, increase the cost of land for housing, and require that high fees and exactions be paid by producers of housing.

(3) Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment

growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.

(4) Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions that result in disapproval of housing projects, reduction in density of housing projects, and excessive standards for housing projects.

(b) It is the policy of the state that a local government not reject or make infeasible housing developments, including emergency shelters, that contribute to meeting the need determined pursuant to this article without a thorough analysis of the economic, social, and environmental effects of the action and without complying with subdivision (d).

(c) The Legislature also recognizes that premature and unnecessary development of agricultural lands for urban uses continues to have adverse effects on the availability of those lands for food and fiber production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, in filling existing urban areas.

(d) A local agency shall not disapprove a housing development project, including farmworker housing as defined in subdivision (d) of Section 50199.50 of the Health and Safety Code, for very low, low-, or moderate-income households, or an emergency shelter, or condition approval in a manner that renders the project infeasible for development for the use of very low, low-, or moderate-income households, or an emergency shelter, including through the use of design review standards, unless it makes written findings, based upon substantial evidence in the record, as to one of the following:

(1) The jurisdiction has adopted a housing element pursuant to this article that has been revised in accordance with Section 65588, is in substantial compliance with this article, and the jurisdiction has met or exceeded its share of the regional housing need allocation pursuant to Section 65584 for the planning period for the income category proposed for the housing development project, provided that any disapproval or conditional approval shall not be based on any of the reasons prohibited by Section 65008. If the housing development project includes a mix of income categories, and the jurisdiction has not met or exceeded its share of the regional housing need for one or more of those categories, then this paragraph shall not be used to disapprove or conditionally approve the project. The share of the regional housing need met by the jurisdiction shall be calculated consistently with the forms and definitions that may be adopted by the Department of Housing and Community Development pursuant to Section 65400. In the case of an emergency shelter, the jurisdiction shall have met or exceeded the need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. Any disapproval or conditional approval pursuant to this paragraph shall be in accordance with applicable law, rule, or standards.

(2) The development project or emergency shelter as proposed would have a specific, adverse impact upon the public health or safety, and there

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is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.

(3) The denial of the project or imposition of conditions is required in order to comply with specific state or federal law, and there is no feasible method to comply without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible.

(4) The development project or emergency shelter is proposed on land zoned for agriculture or resource preservation that is surrounded on at least two sides by land being used for agricultural or resource preservation purposes, or which does not have adequate water or wastewater facilities to serve the project.

(5) The development project or emergency shelter is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan as it existed on the date the application was deemed complete, and the jurisdiction has adopted a revised housing element in accordance with Section 65588 that is in substantial compliance with this article.

(A) This paragraph cannot be utilized to disapprove or conditionally approve a housing development project if the development project is proposed on a site that is identified as suitable or available for very low, low-, or moderate-income households in the jurisdiction's housing element, and consistent with the density specified in the housing element, even though it is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation.

(B) If the local agency has failed to identify in the inventory of land in its housing element sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584, then this paragraph shall not be utilized to disapprove or conditionally approve a housing development project proposed for a site designated in any element of the general plan for residential uses or designated in any element of the general plan for commercial uses if residential uses are permitted or conditionally permitted within commercial designations. In any action in court, the burden of proof shall be on the local agency to show that its housing element does identify adequate sites with appropriate zoning and development standards and with services and facilities to accommodate the local agency's share of the regional housing need for the very low and low-income categories.

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(C) If the local agency has failed to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit, has failed to demonstrate that the identified zone or zones include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7) of subdivision (a) of Section 65583, or has failed to demonstrate that the identified zone or zones can accommodate at least one emergency shelter, as required by paragraph (4) of subdivision (a) of Section 65583, then this paragraph shall not be utilized to disapprove or conditionally approve an emergency shelter proposed for a site designated in any element of the general plan for industrial, commercial, or multifamily residential uses. In any action in court, the burden of proof shall be on the local agency to show that its housing element does satisfy the requirements of paragraph (4) of subdivision (a) of Section 65583.

(e) Nothing in this section shall be construed to relieve the local agency from complying with the Congestion Management Program required by Chapter 2.6 (commencing with Section 65088) of Division 1 of Title 7 or the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code). Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) (1) Nothing in this section shall be construed to prohibit a local agency from requiring the development project to comply with objective, quantifiable, written development standards, conditions, and policies appropriate to, and consistent with, meeting the jurisdiction's share of the regional housing need pursuant to Section 65584. However, the development standards, conditions, and policies shall be applied to facilitate and accommodate development at the density permitted on the site and proposed by the development.

(2) Nothing in this section shall be construed to prohibit a local agency from requiring an emergency shelter project to comply with objective, quantifiable, written development standards, conditions, and policies that are consistent with paragraph (4) of subdivision (a) of Section 65583 and appropriate to, and consistent with, meeting the jurisdiction's need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. However, the development standards, conditions, and policies shall be applied by the local agency to facilitate and accommodate the development of the emergency shelter project.

(3) This section does not prohibit a local agency from imposing fees and other exactions otherwise authorized by law that are essential to provide necessary public services and facilities to the development project or emergency shelter.

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(g) This section shall be applicable to charter cities because the Legislature finds that the lack of housing, including emergency shelter, is a critical statewide problem.

(h) The following definitions apply for the purposes of this section:

(1) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(2) "Housing development project" means a use consisting of any of the following:

(A) Residential units only.

(B) Mixed-use developments consisting of residential and nonresidential uses in which nonresidential uses are limited to neighborhood commercial uses and to the first floor of buildings that are two or more stories. As used in this paragraph, "neighborhood commercial" means small-scale general or specialty stores that furnish goods and services primarily to residents of the neighborhood.

(C) Transitional housing or supportive housing.

(3) "Housing for very low, low-, or moderate-income households" means that either (A) at least 20 percent of the total units shall be sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (B) 100 percent of the units shall be sold or rented to moderate-income households as defined in Section 50093 of the Health and Safety Code, or middle-income households, as defined in Section 65008 of this code. Housing units targeted for lower income households shall be made available at a monthly housing cost that does not exceed 30 percent of 60 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the lower income eligibility limits are based. Housing units targeted for persons and families of moderate income shall be made available at a monthly housing cost that does not exceed 30 percent of 100 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the moderate-income eligibility limits are based.

(4) "Area median income" means area median income as periodically established by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code. The developer shall provide sufficient legal commitments to ensure continued availability of units for very low or low-income households in accordance with the provisions of this subdivision for 30 years.

(5) "Disapprove the development project" includes any instance in which a local agency does either of the following:

(A) Votes on a proposed housing development project application and the application is disapproved.

(B) Fails to comply with the time periods specified in subparagraph (B) of paragraph (1) of subdivision (a) of Section 65950. An extension of time pursuant to Article 5 (commencing with Section 65950) shall be deemed to be an extension of time pursuant to this paragraph.

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(i) If any city, county, or city and county denies approval or imposes restrictions, including design changes, a reduction of allowable densities or the percentage of a lot that may be occupied by a building or structure under the applicable planning and zoning in force at the time the application is deemed complete pursuant to Section 65943, that have a substantial adverse effect on the viability or affordability of a housing development for very low, low-, or moderate-income households, and the denial of the development or the imposition of restrictions on the development is the subject of a court action which challenges the denial, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivision (d) and that the findings are supported by substantial evidence in the record.

(j) When a proposed housing development project complies with applicable, objective general plan and zoning standards and criteria, including design review standards, in effect at the time that the housing development project's application is determined to be complete, but the local agency proposes to disapprove the project or to approve it upon the condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed housing development project upon written findings supported by substantial evidence on the record that both of the following conditions exist:

(1) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(2) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(k) The applicant or any person who would be eligible to apply for residency in the development or emergency shelter may bring an action to enforce this section. If in any action brought to enforce the provisions of this section, a court finds that the local agency disapproved a project or conditioned its approval in a manner rendering it infeasible for the development of an emergency shelter, or housing for very low, low-, or moderate-income households, including farmworker housing, without making the findings required by this section or without making sufficient findings supported by substantial evidence, the court shall issue an order or judgment compelling compliance with this section within 60 days, including, but not limited to, an order that the local agency take action on the development project or emergency shelter. The court shall retain jurisdiction to ensure that its order or judgment is carried out and shall award reasonable attorney's fees and costs of suit to the plaintiff or petitioner who proposed the housing development or emergency shelter, except under extraordinary

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circumstances in which the court finds that awarding fees would not further the purposes of this section. If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled, including, but not limited to, an order to vacate the decision of the local agency, in which case the application for the project, as constituted at the time the local agency took the initial action determined to be in violation of this section, along with any standard conditions determined by the court to be generally imposed by the local agency on similar projects, shall be deemed approved unless the applicant consents to a different decision or action by the local agency.

(l) If the court finds that the local agency (1) acted in bad faith when it disapproved or conditionally approved the housing development or emergency shelter in violation of this section and (2) failed to carry out the court's order or judgment within 60 days as described in subdivision (k), the court in addition to any other remedies provided by this section, may impose fines upon the local agency that the local agency shall be required to deposit into a housing trust fund. Fines shall not be paid from funds that are already dedicated for affordable housing, including, but not limited to, redevelopment or low- and moderate-income housing funds and federal HOME and CDBG funds. The local agency shall commit the money in the trust fund within five years for the sole purpose of financing newly constructed housing units affordable to extremely low, very low, or low-income households. For purposes of this section, "bad faith" shall mean an action that is frivolous or otherwise entirely without merit.

(m) Any action brought to enforce the provisions of this section shall be brought pursuant to Section 1094.5 of the Code of Civil Procedure, and the local agency shall prepare and certify the record of proceedings in accordance with subdivision (c) of Section 1094.6 of the Code of Civil Procedure no later than 30 days after the petition is served, provided that the cost of preparation of the record shall be borne by the local agency. Upon entry of the trial court's order, a party shall, in order to obtain appellate review of the order, file a petition within 20 days after service upon it of a written notice of the entry of the order, or within such further time not exceeding an additional 20 days as the trial court may for good cause allow. If the local agency appeals the judgment of the trial court, the local agency shall post a bond, in an amount to be determined by the court, to the benefit of the plaintiff if the plaintiff is the project applicant.

(n) In any action, the record of the proceedings before the local agency shall be filed as expeditiously as possible and, notwithstanding Section 1094.6 of the Code of Civil Procedure or subdivision (m) of this section, all or part of the record may be prepared (1) by the petitioner with the petition or petitioner's points and authorities, (2) by the respondent with respondent's points and authorities, (3) after payment of costs by the petitioner, or (4) as otherwise directed by the court. If the expense of preparing the record has been borne by the petitioner and the petitioner is the prevailing party, the expense shall be taxable as costs.

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(o) This section shall be known, and may be cited, as the Housing Accountability Act.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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ATTACHMENT 2:

**2008-2014 City of San Fernando
Housing Element Excerpt
(Housing Plan Pages V-15 and V-16)**

ATTACHMENT 2



Project Area every ten years, with the current 10 year compliance period extending 2005-2014.

- The affordability period for inclusionary units is 45 years for ownership units and 55 years for rental units.

San Fernando currently implements inclusionary requirements within its Redevelopment Project Areas as a matter of policy. However, with significant new development to occur in the Project Area associated with implementation of the San Fernando Corridors Specific Plan, the city is proposing to codify its inclusionary policy to ensure adherence with Redevelopment requirements.

2008-2014 Objective: Adopt a local inclusionary housing ordinance applicable to San Fernando's Redevelopment Project Areas by 2009. Evaluate the alternative options for fulfillment of inclusionary requirements, such as provision of affordable units off-site or payment of an in-lieu fee. Advertise on the city's website, along with incentives available through the density bonus ordinance for on-site provision of affordable units.

11. Zoning Ordinance Revisions: As part of the Governmental Constraints analysis for the Housing Element update, several revisions to the San Fernando Zoning Code were identified as appropriate to better facilitate the provision of a variety of housing types. These zoning revisions include:

- Identification of manufactured housing as a permitted use in the R-1 (Single Family Residential) Zone, R-2 (Multiple Family Dwelling) Zone and the R-3 (Multiple Family) Zone.
- Identification of appropriate residential zone(s) for community care facilities with seven or more occupants, subject to a Conditional Use Permit (CUP) process.
- Addition of transitional housing and supportive housing to definition section, and list as permitted uses within residential zones.
- Development of standards for Single Room Occupancy (SROs) uses, and identification as a conditionally permitted use within C-1 (Limited Commercial) and C-2 (Commercial) zones.
- Identification of emergency shelters as a permitted use in the M-2 (Light Industrial) Zone.

Due to the unique nature and service-enhanced characteristics of large community care facilities, a CUP process is utilized to enhance compatibility with the surrounding neighborhood, and to ensure proper licensing of the facility. The CUP process will not be utilized to establish undue conditions that will serve as a constraint to the provision of such facilities.



Emergency shelters will be subject to the same development and management standards as other permitted uses in M-2 zone. The city will however develop written, objective standards to regulate the following, as permitted under SB 2:

- The maximum number of beds or persons permitted to be served nightly by the facility;
- Off-street parking based on demonstrated need;
- The size and location of onsite waiting and client intake areas;
- The provision of onsite management;
- The proximity of other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart;
- The length of stay;
- Lighting;
- Security during hours that the emergency shelter is in operation.

2008-2014 Objective: Amend the zoning ordinance by December 2009 to make explicit provisions for manufactured housing, community care facilities, SROs, transitional and supportive housing, and emergency shelters. Develop objective standards to regulate emergency shelters as provided for under SB 2.

12. Pursue Outside Funding Sources: To effectively implement Housing Element programs that create affordable housing depends on a variety of county, state, federal and local housing funds. Because local funds for housing activities are limited, leveraging outside funding sources will be essential to address San Fernando's affordable housing needs. The various funding programs available to San Fernando are outlined in Section IV Housing Resources (Table IV-3).

For housing development funds, the city or redevelopment agency would typically work with a developer to assist in securing funds. City involvement could include review of pro forma analyses, provision of background data as necessary to complete funding applications, review and comment on draft applications, and City Council letters of support.

San Fernando has a strong track record in leveraging outside funding sources, having secured over \$23 million in competitive grant funds between 2002-2007. In July 2008, the city was awarded \$3.56 million in State Proposition 1C funds to initiate its first downtown mixed-use project - a three-story, 100 unit affordable senior housing project including 10,000 square feet of commercial space and a joint public/private parking facility.

2008-2014 Objective: Actively pursue county, state, federal and private funding sources as a means of leveraging local funds and maximizing assistance, with a goal of securing at least three new funding sources. Complete the development agreement on the downtown senior mixed-use project by early 2009 to enable dispersal of Prop 1C grant funds to the project.

ATTACHMENT 3:

**Existing City Zoning Regarding Allowable Land
Uses in Residential, Commercial, and Industrial
Zones as well as Current Regulations for
Transitional Housing**

Permitted and Conditionally Permitted Uses in the R-1 (Single-Family Residential) Zone

Sec. 106-352. - Permitted uses.

In the R-1 single family residential zone, the following uses are permitted:

- (1) Accessory buildings and structures such as a garage, workroom, storage shed, recreation room or cabana located on the same lot as the principal residential use. No bathroom, kitchen plumbing or fixtures or cooking facilities shall be permitted in conjunction with accessory buildings. A garage, workroom, storage shed, and recreation room shall not be divided into smaller size rooms and shall be maintained as a single open building.
- (2) Community care facilities serving five or fewer persons; provided, however, that six persons may be served by residential facilities and small family homes.
- (3) Home occupations in accordance with division 9 of article VI of this chapter.
- (4) Large family day care home in accordance with division 10 of article VI of this chapter.
- (5) Parks and playgrounds or community centers owned and operated by a government agency, including business conducted within the facilities, subject to the approval of the director.
- (6) Private noncommercial greenhouses, horticulture collections, flower gardens, vegetable gardens and fruit trees.
- (7) Primary single-family dwelling units, one per lot, in a permanent location.
- (8) Second dwelling units (one per lot) in accordance with section 106-358
- (9) Temporary tract sales offices, temporary contractors' equipment offices and storage, subject to approval by the director for a period not to exceed one year with two one-year extensions available, if requested for good cause.

(Ord. No. 1270, § 30.051, 9-30-1985; Ord. No. 1305, 6-15-1987; Ord. No. 1547, § 3, 1-20-2004)

Sec. 106-353. - Uses permitted subject to conditional use permit.

In the R-1 single-family residential zone, uses permitted subject to a conditional use permit are as follows:

- (1) Churches, temples or other places of religious worship, with no temporary structures permitted.
- (2) One guesthouse with a minimum lot area of 8,000 square feet.
- (3) Schools.
- (4) Hospitals or sanitariums.

(Ord. No. 1270, § 30.052, 9-30-1985; Ord. No. 1305, 6-15-1987)

Permitted and Conditionally Permitted Uses in the R-2 (Multiple Family Dwelling) Zone

Sec. 106-387. - Uses permitted.

The following uses are permitted in the R-2 multiple-family dwelling zone:

- (1) All uses permitted in the R-1 zone.
- (2) Duplexes.
- (3) Multiple-family dwelling units.

(Ord. No. 1270, § 30.101, 9-30-1985; Ord. No. 1305, 6-15-1987)

Sec. 106-388. - Uses permitted subject to conditional use permit.

In the R-2 multiple-family dwelling zone, the following uses are permitted subject to a conditional use permit:

- (1) Any conditional use permitted in the R-1 zone subject to all the provisions therein.
- (2) Electric distribution substation, pumping station, water well, water reservoir.
- (3) Mobile home park.
- (4) Residential condominium.

(Ord. No. 1270, § 30.102, 9-30-1985; Ord. No. 1305, 6-15-1987)

Permitted and Conditionally Permitted Uses in the R-3 (Multiple Family) Zone

Sec. 106-422. - Uses permitted.

In the R-3 multiple-family zone, the following uses are permitted:

- (1) All uses permitted in the R-1 and R-2 zones.
- (2) Multiple-family dwellings.

(Ord. No. 1270, § 30.151, 9-30-1985; Ord. No. 1305, 6-15-1987)

Sec. 106-423. - Uses permitted subject to conditional use permit.

In the R-3 multiple-family zone, the following uses are permitted subject to a conditional use permit:

- (1) Any conditional use permitted in the R-1 and R-2 zones subject to the provisions therein.
- (2) Boardinghouses.
- (3) Hospitals or sanitariums.
- (4) Museums or libraries.
- (5) Nursery schools.
- (6) Nonresidential off-street automobile parking lot subject to division 3 of article V of this chapter.

(Ord. No. 1270, § 30.152, 9-30-1985; Ord. No. 1305, 6-15-1987)

Permitted and Conditionally Permitted Uses in the C-1 (Limited Commercial) Zone

Sec. 106-487. - Permitted uses.

In the C-1 limited commercial zone, the following uses are permitted:

- (1) Administrative and professional offices.
- (2) Government buildings and related facilities.
- (3) Parks and playgrounds (public and private).
- (4) Public utility substations (masonry-walled and landscaped).
- (5) Retail businesses.
- (6) Service businesses (excluding repair businesses).
- (7) Any use which in the judgment of the commission, as evidenced by resolution in writing, are similar to and no more objectionable than any of those enumerated in subsections (1) through (6) of this section.
- (8) Any and all amusement devices shall be subject to approval of an amusement device permit. The permit may be approved by the director subject to conditions and limitations stated in division 3 of article VI of this chapter. Any violations of the conditions and/or limitations shall result in the revocation of the amusement device permit, subject to the provisions of section 106-148

(Ord. No. 1270, § 30.251, 9-30-1985; Ord. No. 1305, 6-15-1987)

Sec. 106-488. - Uses permitted subject to conditional use permit.

In the C-1 limited commercial zone, the following uses are permitted subject to a conditional use permit:

- (1) Clubs, lodges and halls.
- (2) Commercial recreation.
- (3) Hotels and motels.
- (4) New automobile sales and display and sales room or lot (used car sales only in conjunction with a new car agency).
- (5) Off-street parking lot.
- (6) On-site and off-site sale of alcoholic beverages.
- (7) Parking lot sales.
- (8) Schools.
- (9) Secondhand stores.
- (10) Museums, art galleries, botanical gardens.

(Ord. No. 1270, § 30.252, 9-30-1985; Ord. No. 1305, 6-15-1987)

Permitted and Conditionally Permitted Uses in the C-2 (Commercial) Zone

Sec. 106-517. - Permitted uses.

In the C-2 commercial zone, the following uses are permitted:

- (1) All uses permitted in the C-1 zone, subject to the restrictions and/or prohibitions imposed in this section.
- (2) Automobile service stations.
- (3) Bus stations.
- (4) Fortunetelling, subject to the following:
 - a. The establishment shall be located a minimum of 1,000 feet from any other such use.
 - b. No person under the age of 18 shall be allowed in the establishment.
- (5) Hospitals.
- (6) Mortuaries.
- (7) New automobile sales and display and sales room or lot (used car sales only in conjunction with a new car agency).
- (8) Nurseries (flower, plant or tree).
- (9) Pet stores.
- (10) Radio and television stations without transmitting tower antennas.
- (11) Repair shops, bicycle and motorcycle.
- (12) Rummage sales (refer to article III of chapter 66 of this Code).
- (13) Veterinary clinics.
- (14) Other businesses which in the judgment of the commission, as evidenced by resolution in writing, are similar to and no more objectionable than any of those enumerated in this section.

(Ord. No. 1270, § 30.301, 9-30-1985; Ord. No. 1305, 6-15-1987)

Sec. 106-518. - Uses permitted subject to conditional use permit.

In the C-2 commercial zone, the following uses are permitted subject to a conditional use permit:

- (1) All those uses permitted by conditional use permit in the C-1 zone.
- (2) Ambulance service.
- (3) Automobile repair, minor, shall be permitted subject to division 11 of article VI of this chapter.
- (4) Bail bondsman.
- (5) Billiards and pool parlor.
- (6) Carwashes.
- (7) Dating and escort services.
- (8) Fruit and vegetable stands (outdoor only).
- (9) Live entertainment.
- (10) Theater/bowling alley.
- (11) Adult entertainment business (refer to division 2 of article VI of this chapter).

Permitted and Conditionally Permitted Uses in the M-1 (Limited Industrial) Zone

Sec. 106-582. - Permitted uses.

In the M-1 limited industrial zone, the following uses are permitted:

- (1) Agricultural.
- (2) Manufacturing. Subject to the conditions of this zone, manufacturing, assembling, repairing, testing, processing, packaging, warehousing, wholesaling, research or treatment of products may be conducted (other than those which may be obnoxious or offensive because of emission of odor, dust, smoke, gas, noise, vibration or other similar causes detrimental to the public health, safety or general welfare) including but not limited to the following:
 - a. Animal hospitals.
 - b. Assembly plants.
 - c. Automobile laundry.
 - d. Automotive repair major and minor.
 - e. Building materials and hardware sales.
 - f. Cabinet shops and woodworking.
 - g. Computer manufacturing, maintenance and service.
 - h. Cosmetics (no soap).
 - i. Electric and gas appliances.
 - j. Food products (excluding fish meat, sauerkraut, vinegar, yeast, and rendering or refining of fats and oils).
 - k. Jewelry.
 - l. Laundry, cleaning and dry cleaning plants.
 - m. Lumberyard, building materials, contractor storage.
 - n. Machine shop.
 - o. Motion picture studio or television studio.
 - p. Optical equipment.
 - q. Pharmaceutical.
 - r. Photographic products and equipment.
 - s. Product service center.
 - t. Signs.
 - u. Telephone, communication exchange or equipment building.
 - v. Welding shop.
 - w. Wholesale business.
 - x. Other uses. The following accessory uses are permitted only where they are integrated with and clearly incidental to a primary permitted use:
 1. Employee's cafeteria or coffeeshop.
 2. Exhibition of products, produced on the premises or available for wholesale distribution.
 3. Offices.
 - y.

Additional uses which in the judgment of the commission, as evidenced by resolution in writing, are similar to or not more objectionable than any of those enumerated in this subsection.

- (3) Commercial uses which are customarily and incidental to industrial uses permitted in subsection (2) of this section.

(Ord. No. 1270, § 30.401, 9-30-1985; Ord. No. 1305, 6-15-1987)

Sec. 106-583. - Uses permitted subject to conditional use permit.

In the M-1 limited industrial zone, the following uses are permitted subject to a conditional use permit:

- (1) Animal shelter.
- (2) Commercial antennas.
- (3) Engine manufacture.
- (4) Helistop.
- (5) Laboratory: chemical, biological, anatomical.
- (6) Outdoor storage.
- (7) Outdoor advertising signs, provided that no outdoor advertising sign shall be located within a 500-foot radius of any other such sign; each outdoor advertising sign shall have, at most, two sign faces, and each sign face shall have a maximum area of 100 square feet; the maximum height shall be 24 feet; and no outdoor advertising sign shall be located within 300 feet of a residential zone.
- (8) Paint or related manufacture.
- (9) Research and development.
- (10) Service station.
- (11) Swap meets or flea markets, auctions indoor or outdoor.
- (12) Truck terminal or yard.
- (13) New and used car sales.
- (14) Storage and distribution.
- (15) Warehousing.
- (16) Extermination business.
- (17) Heliports.
- (18) House moving businesses.
- (19) Contractors' storage and fabrication yards.
- (20) Lumberyards and outside storage of building materials.
- (21) Boat building and repair businesses.
- (22) Landscaping and gardening service and supply businesses.
- (23) Machine shops and tool and die making.
- (24) Metal welding and plating business.
- (25) Rental yards, maintenance yards and storage yards for construction and agricultural related equipment, machinery and vehicles.
- (26) Restaurants.
- (27) Roofing businesses.
- (28) Salvage and recycling businesses.
- (29) Recreation vehicle storage yards.

- (30) Electric distribution and transmission substations, gas metering and regulation stations, and other similar public utility structures and uses.
- (31) Research and development facilities for the creation of prototypes.
- (32) Pharmaceutical laboratory.
- (33) Administrative, professional and business offices accessory to use permitted in this district.
- (34) Blueprinting and photostating.
- (35) Assembly of plastic products.
- (36) Manufacture of ceramic products using only previous pulverized clay and using kilns fired only by electricity or gas.
- (37) Parcel service delivery depot.
- (38) Photoengraving.
- (39) Manufacture of control devices and gauges.
- (40) Glass edging, beveling and silvering.
- (41) Studio or office or quarters for industrial designing, model making, sculpture, architecture, engineering, planning, drafting, editorial and general designing and ceramic arts.
- (42) Recreation area or facility accessory to any use permitted in this district.
- (43) Hazardous waste facility which includes off-site facility, on-site facility, regional facility, transfer facility/station, transportable treatment units, and treatment facility and which is subject to division 12 of article VI of this chapter.
- (44) Transitional housing, in accordance with section 106-311
(Ord. No. 1270, § 30.402, 9-30-1985; Ord. No. 1305, 6-15-1987; Ord. No. 1486, § 2, 12-15-1997)

Permitted and Conditionally Permitted Uses in the M-2 (Light Industrial) Zone

Sec. 106-612. - Uses permitted.

In the M-2 light industrial zone, the following uses are permitted:

- (1) All uses permitted in the M-1 zone.
- (2) Manufacturing. Subject to the conditions of this zone, manufacturing, assembling, repairing, testing, processing, warehousing, wholesaling, research or treatment of products may be conducted (other than those which may be obnoxious or offensive because of emission of odor, dust, smoke, gas, noise, vibration or other similar causes detrimental to the public health, safety or general welfare) including but not limited to the following:
 - a. Animal shelter.
 - b. Assaying.
 - c. Automobiles, trailers, boats, recreational vehicles.
 - d. Ceramics, pottery, statuary.
 - e. Heavy equipment sales and rental.
 - f. Ink, polish, enamel.
 - g. Pest control contractors.
 - h. Public service facilities.
 - i. Sandblasting.
 - j. Tile (indoor kiln).
 - k. Wallboard, glass (no blast furnace).
 - l. Blast furnaces as an accessory use to a permitted use and not needing EPA or AQMD approvals.

(Ord. No. 1270, § 30.451, 9-30-1985; Ord. No. 1305, 6-15-1987)

Sec. 106-613. - Uses permitted subject to conditional use permit.

In the M-2 light industrial zone, the following uses are permitted subject to a conditional use permit:

- (1) Uses subject to a conditional use permit in the M-1 zone.
- (2) Automotive impound area.
- (3) Metal engraving, metal fabrications.
- (4) Tire retreading and recapping

(Ord. No. 1270, § 30.452, 9-30-1985; Ord. No. 1305, 6-15-1987)

**ATTACHMENT 3 of the December 4, 2012 Staff
Report to the Planning and Preservation
Commission:**

**October 2, 2012 Planning and Preservation
Commission Minutes**



**CITY OF SAN FERNANDO
PLANNING COMMISSION**

**DRAFT MINUTES OF, OCTOBER 2, 2012 MEETING
CITY HALL COUNCIL CHAMBER**

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE PLANNING COMMISSION. AUDIO OF THE ACTUAL MEETING ARE AVAILABLE FOR LISTENING IN THE COMMUNITY DEVELOPMENT DEPARTMENT.

CALL TO ORDER

The meeting was called to order by Chairperson 7:07 P.M.

PLEDGE OF ALLEGIANCE

Led by Commissioner J. Ruelas

ROLL CALL

The following persons were recorded as present:

PRESENT: Chairperson Julie Cuellar, Vice-chair Mario Rodriguez, Commissioners Alvin F. Durham, and Jose Ruelas

ABSENT: None

ALSO PRESENT: City Planner Fred Ramirez, Assistant Planner Edgar Arroyo, and Community Development Secretary Michelle De Santiago

REORGANIZATION

Nomination for Chairperson and Vice-chairperson

Vice-chair M. Rodriguez moved to table the item until the next regularly scheduled meeting. Seconded by Commissioner J. Ruelas, the motion carried with the following vote:

AYES: M. Rodriguez, J. Ruelas, J. Cuellar, and A. Durham
NOES: None
ABSENT: None
ABSTAIN: None

APPROVAL OF AGENDA

Commissioner A. Durham moved to approve the agenda of October 2, 2012. Seconded by Vice-chair M. Rodriguez, the motion carried with the following vote:

AYES: A. Durham, M. Rodriguez, J. Cuellar, and J. Ruelas
NOES: None
ABSENT: None
ABSTAIN: None

Planning Commission Minutes of October 2, 2012
Page 2 of 4

CONSENT CALENDAR

Commissioner J. Ruelas moved to approve the minutes of the September 5, 2012 Planning and Preservation Commission meeting. Seconded by Commissioner A. Durham, the motion carried with the following vote:

AYES:	J. Ruelas, A. Durham, J. Cuellar, and M. Rodriguez
NOES:	None
ABSENT:	None
ABSTAIN:	None

UNFINISHED BUSINESS

None

PUBLIC HEARING 7A:

Zone Text Amendment 2012-01 – City-wide, San Fernando, CA – City of San Fernando Community Development Department – The proposed zone text amendment would provide the appropriate definitions and regulations that would allow the establishment of: Single Room Occupancy (SRO) residential units as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones; Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones; Emergency Homeless Shelters as permitted use in the M-2 (Light Industrial) zone; identification of manufactured housing as a permitted use in all residential zones; and Transitional Housing and Supportive Housing permitted uses in all residential districts subject only to those development standards that apply to other residential uses of the same type in the same residential district.

STAFF PRESENTATION

City Planner Fred Ramirez gave the staff presentation recommending that that Planning and Preservation Commission direct planning staff to schedule consideration of the proposed zone text amendment and associated environmental assessment for the next regularly scheduled commission meeting in November 2012.

PUBLIC TESTIMONY

None

COMMISSION DISCUSSION

J. Cuellar asked if any of SRO or Emergency Shelters already existing within the city limits.

F. Ramirez indicated that there are Community Care Facilities of 6 or less in the City that are permitted by right. However our zoning code does not contain any language allowing it or conditionally allowing it within the city limits.

J. Cuellar asked staff if we had a count of the homeless population within the city limits.

F. Ramirez indicated that the 2010 Census identified 46 homeless people within the city limits. Additionally, he indicated that any future emergency homeless shelter would have a maximum limit of 50 beds.

J. Cuellar asked for clarification as far as what would be allowed in what zones.

Planning Commission Minutes of October 2, 2012
Page 3 of 4

F. Ramirez indicated that the proposed zone text amendment would identify manufactured home as a permitted use in the residential zones, community care facilities with seven or more occupants would be subject to a conditional use permit in the residential zones, SROs would be subject to a conditional use permit in the C-1 and C-2 zones, transitional and supportive housing would be allowed in the residential zones, and that emergency homeless shelter would be permitted in the M-2 zones.

J. Cuellar asked staff to identify how many shelters could be allowed along First Street if they would be allowed every 300 feet.

F. Ramirez indicated that staff could not instantly provide that information but that it would generate a map of the M-2 zone that can depict theoretically how many shelter along First Street there could be if they were setup every 300 feet for the following meeting.

J. Ruelas asked about the SROs and if they would be dormitory layout. Additionally he asked if staff would provide some examples of existing SROs.

F. Ramirez stated that he has noted the comments and requests and will provide the commission with additional information at the next regularly scheduled meeting.

Subsequent to discussion, M. Rodriguez moved to direct staff to schedule a public hearing for consideration of Zone Text Amendment 2012-01. Seconded by J. Ruelas, the motion carried with the following vote:

AYES:	M. Rodriguez, J. Ruelas, J. Cuellar, and A. Durham
NOES:	None
ABSENT:	None
ABSTAIN:	None

STAFF COMMUNICATIONS

F. Ramirez asked the commission about their availability for a Special Meeting at the Lopez Adobe on October 9 or October 11, 2012. He informed the commission regarding a new feature on the city's website under the caption of "Business Opportunity Sites". Additionally he informed the commission about the courtesy notices going out to the various business operators regarding signage and banners.

COMMISSION COMMENTS

J. Cuellar expressed concern regarding two trees in the parkway at De Haven Avenue and Brand Blvd. that obstruct the view when attempting to make a left onto Brand Blvd. She also asked for an update on the apartments at 650 Glenoaks Blvd.

M. Rodriguez requested an update on the charter school located on Fourth Street (i.e. shade structure, traffic issues, and if they are adhering to the conditions of approval for the project).

A. Durham asked if staff if Chrysler/Dodge was coming to San Fernando.

PUBLIC STATEMENTS

None

Planning Commission Minutes of October 2, 2012

Page 4 of 4

ADJOURNMENT

Commissioner A. Durham moved to adjourn to November 7, 2012. Second by Commissioner J. Ruelas, the motion carried with the following vote:

AYES:	A. Durham, J. Ruelas, J. Cuellar, and M. Rodriguez
NOES:	None
ABSENT:	None
ABSTAIN:	None

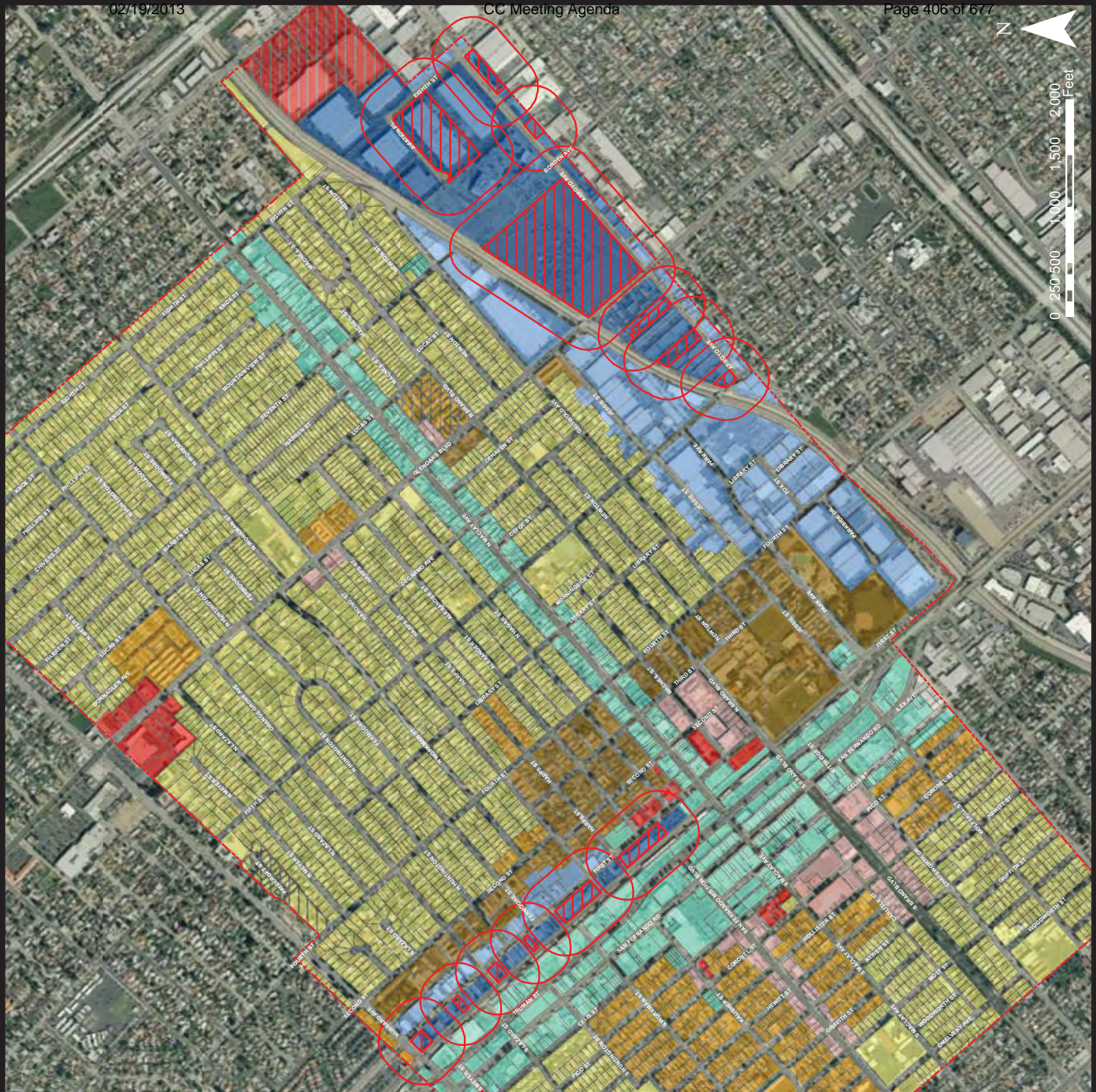
9:00 P.M.

Fred Ramirez

Planning Commission Secretary

**ATTACHMENT 4 of the December 4, 2012 Staff
Report to the Planning and Preservation
Commission:**

Site Analysis-Zoning Maps



Potential Emergency Shelter Sites

Project Map Legend

Zoning

	R-1
	RPD R-1
	R-2
	RPD R-2
	R-3
	C-1
	C-2
	PD
	SC
	M-1
	M-2
	SP-1 - SP-4

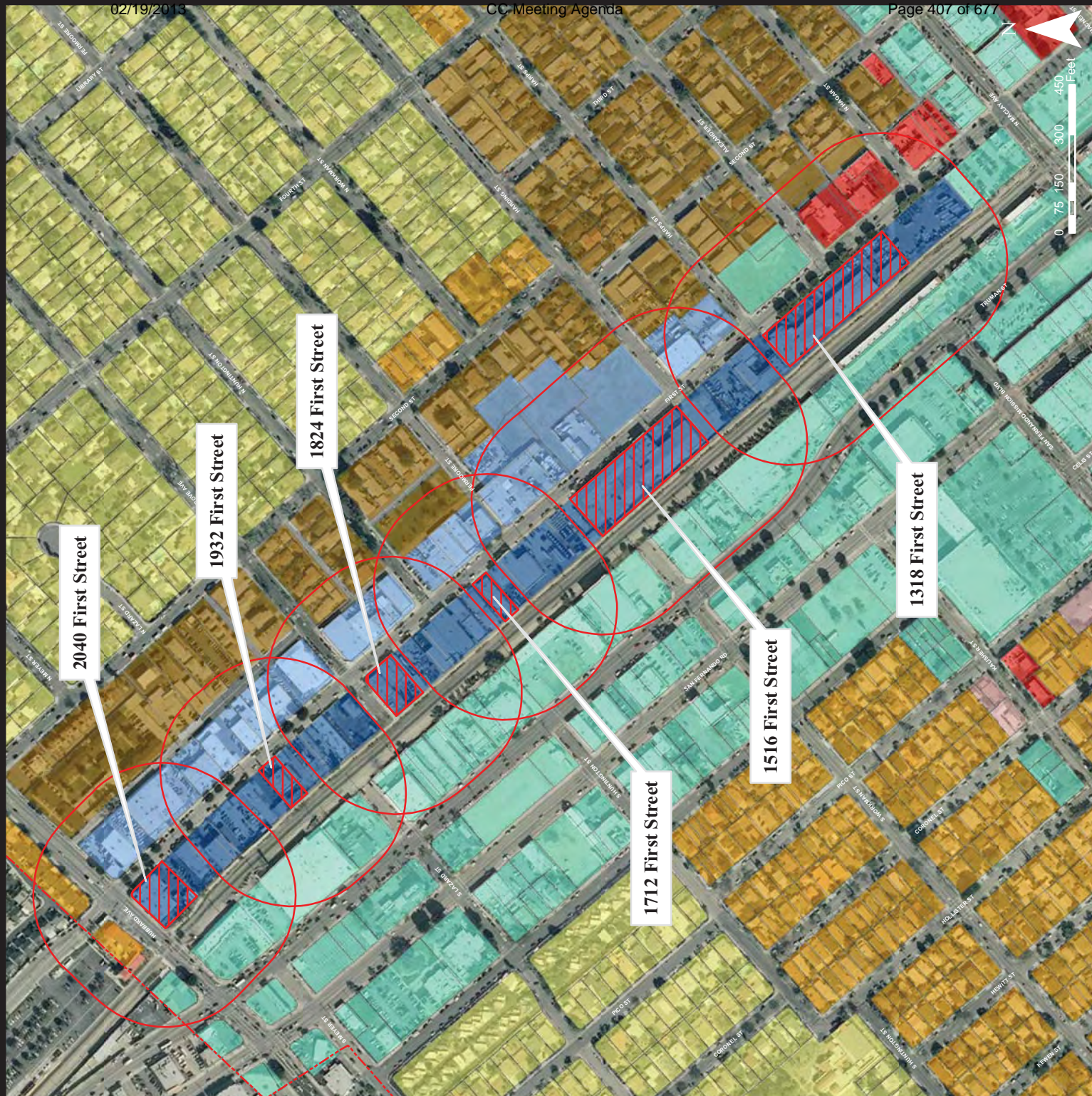
Potential Shelter Sites

	City Boundary
	Potential Shelter Sites
	300-Foot Buffer

Map Revised 11/30/2012

THE CITY OF
SAN FERNANDO

Community Development Department
117 Macneil Street
San Fernando, CA 91340



Potential Emergency Shelter Sites - First Street

Project Map Legend

Zoning

	R-1
	RPD R-1
	R-2
	RPD R-2
	R-3
	C-1
	C-2
	PD
	SC
	M-1
	M-2
	SP-1 - SP-4

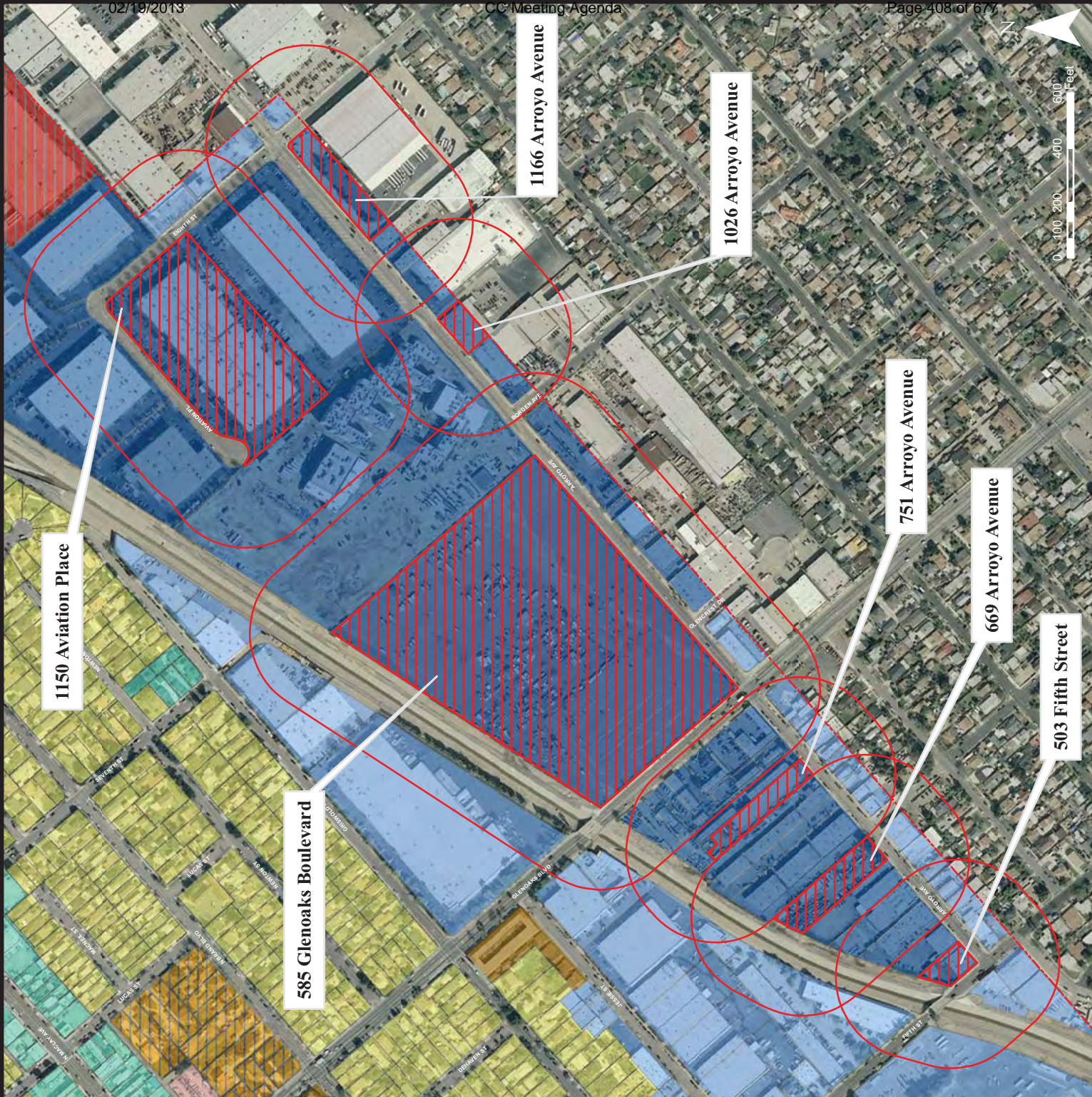
Potential Shelter Sites

	City Boundary
	Potential Shelter Sites
	300-Foot Buffer

Map Revised 11/30/2012

THE CITY OF
SAN FERNANDO

Community Development Department
117 Macneil Street
San Fernando, CA 91340



Potential Emergency Shelter Sites - Arroyo Ave

Project Map Legend

- | | | | | | | | | | | | | | | | |
|---------------|-----|---------|-----|---------|-----|-----|-----|----|----|-----|-----|-------------|---------------|-------------------------|-----------------|
| Zoning | R-1 | RPD R-1 | R-2 | RPD R-2 | R-3 | C-1 | C-2 | PD | SC | M-1 | M-2 | SP-1 - SP-4 | City Boundary | Potential Shelter Sites | 300-Foot Buffer |
| | | | | | | | | | | | | | | | |

Map Revised 11/30/2012

ATTACHMENT "D"

**CITY OF SAN FERNANDO
PLANNING AND PRESERVATION COMMISSION**

**DRAFT SUMMARY MINUTES OF
JANUARY 8, 2013, MEETING - 7:00 P.M.
CITY HALL COUNCIL CHAMBER**

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE PLANNING COMMISSION. AUDIO OF THE ACTUAL MEETING ARE AVAILABLE FOR LISTENING IN THE COMMUNITY DEVELOPMENT DEPARTMENT.

CALL TO ORDER

The meeting was called to order at 7:02 P.M.

PLEDGE OF ALLEGIANCE

Led by Commissioner Alvin Durham

OATH OF OFFICE

Community Development Secretary Michelle De Santiago administered the Oath of Office to the incoming Commissioners, Kevin Beaulieu, Theale Haupt, Yvonne Mejia, and Rodolfo Salinas

ROLL CALL

The following persons were recorded as present:

PRESENT:

Commissioners Kevin Beaulieu, Alvin Durham, Theale Haupt, Yvonne Mejia, and Rodolfo Salinas

ABSENT:

None

ALSO PRESENT:

City Planner Fred Ramirez, Assistant Planner Edgar Arroyo, and Community Development Secretary Michelle De Santiago

REORGANIZATION

Nominations were accepted for Chairperson and Vice-chairperson:

K. Beaulieu nominated T. Haupt as Chairperson, seconded by R. Salinas, the motion carried with the following vote:

AYES:	K Beaulieu, R. Salinas, A. Durham, T. Haupt, and Y. Mejia
NOES:	None
ABSENT:	None
ABSTAIN:	None

T. Haupt nominated A. Durham as Vice-chairperson, seconded by K. Beaulieu, the motion carried with the following vote:

AYES:	T. Haupt, K Beaulieu, A. Durham, R. Salinas, and Y. Mejia
NOES:	None
ABSENT:	None
ABSTAIN:	None

Planning Commission Minutes of January 8, 2013
Page 2 of 5

APPROVAL OF AGENDA

Vice-chair A. Durham moved to approve the agenda of the January 8, 2013 meeting. Seconded by Commissioner Y. Mejia, the motion carried with the following vote:

AYES:	A. Durham, Y. Mejia, K. Beaulieu, T. Haupt, and R. Salinas
NOES:	None
ABSENT:	None
ABSTAIN:	None

CONSENT CALENDAR

Commissioner R. Salinas moved to approve the minutes of December 4, 2012 meeting. Seconded by Commissioner Y. Mejia, the motion carried with the following vote:

AYES:	R. Salinas, Y. Mejia, K. Beaulieu, A. Durham, and T. Haupt
NOES:	None
ABSENT:	None
ABSTAIN:	None

UNFINISHED BUSINESS

None

PUBLIC HEARING 7A:

Zone Text Amendment 2012-01 – City-wide, San Fernando, CA 91340 – City of San Fernando Community Development Department, 117 Macneil Street, San Fernando, CA - The proposed zone text amendment would provide the appropriate definitions and regulations that would allow the establishment of: Single Room Occupancy (SRO) residential units as a conditionally permitted use in the C-1 (Limited Commercial) and C-2 (Commercial) zones; Community Care Facilities with seven or more persons as a conditionally permitted use in all residential zones; Emergency Homeless Shelters as a permitted use in the M-2 (Light Industrial) zones; and, Transitional Housing and Supportive Housing as permitted uses in all residential districts subject only to those development standards that apply to other residential uses of the same type in the same residential district.

Staff Presentation

City Planner Fred Ramirez provided the staff presentation recommending that the Planning and Preservation Commission adopt the Initial Study and Negative Declaration, which determined that the proposed zone text amendment to implement State housing law will not have a significant adverse impact on the environment; and recommend adoption of the proposed Ordinance to the City Council that would implement the 2008-2014 General Plan Housing Element's Housing Implementation Program No. 11 (Zoning Ordinance Revisions) by making explicit provisions for emergency homeless shelter, manufactured housing, community care facilities, single residential occupancy units, and transitional and supportive housing as provided under SB 2.

Commission Discussion

Planning Commission Minutes of January 8, 2013
Page 3 of 5

K. Beaulieu asked for clarification regarding where the homeless shelters would be allowed. Additionally he discussed the possibility of the city's consideration of a multi-jurisdictional agreement as a means of meeting the city's homeless shelter obligation. He asked if there were any exceptions to allow the homeless shelters by right. He also asked if the National Guard Armory could be identified as an alternative homeless shelter facility and therefore meet the city's obligation under state law. Commission Beaulieu inquired about the city's public noticing requirement for the proposed Ordinance.

F. Ramirez confirmed that the Ordinance would allow for emergency homeless shelters within the M-2 Light Industrial zone that includes industrial properties along First Street and Arroyo Avenue. He stated that the National Guard Armory in Sylmar is not a year-round shelter that has been historically used as a shelter for extreme cold and heat conditions.

E. Arroyo informed the Commission of the city and state required public noticing requirements that were undertaken to notify the public of the planning commission meeting on the proposed ordinance and environmental documents.

T. Haupt asked about the feasibility of the National Guard Armory in Sylmar becoming a year round shelter.

A. Durham said that the Armory needed to maintain its primary use as a National Guard armory/training facility and that transition into a year round shelter was unlikely.

F. Ramirez informed discussed the proposed regulation of large and small community care facilities per the proposed ordinance and the regulatory constraints imposed by State housing law. He also discussed the conditional use permit process that community care facilities like other similarly zoned land uses would have to comply with, including meeting specific findings that ensured protection of neighboring land uses from adverse environmental impacts. He also discussed the development standards applicable to single room occupancy units and transitional and supporting housing projects. He explained that pursuant to the California Environmental Quality Act, economic factors are not considered when determining whether or not a project will have a significant adverse impact on the environment. He noted that the economic impact associated with a project's potential impact to sewer infrastructure and any associated fees is typically addressed by the prospective developer/applicant as part of the projects permit issuance.

A. Durham stated that this proposal has been discussed thoroughly and he believes that there are enough checks and balances in place with regards to the proposed Ordinance.

Y. Mejia stated that she too had the same concerns as K. Beaulieu, but she understood that the City needs to comply with State housing law.

T. Haupt acknowledged the State mandate, but asked why it has taken so long to implement.

F. Ramirez explained that the Community Development Department has lost quite a few members due to resignations, retirement and downsizing that have impacted implementation of housing programs such as the adoption of the proposed Ordinance. He informed the commission that if it is not done now that the HCD would require the City to submit their Housing Element every four years as opposed to every eight years like we currently do.

Planning Commission Minutes of January 8, 2013
Page 4 of 5

T. Haupt stated that if the City would be required to submit a Housing Element Update every four years it would create an impact on cost and staff. He asked staff to verify the Ordinance use of conditionally permitted use versus a conditional use permit.

F. Ramirez indicated that they essentially mean the same thing but staff will make any required revisions.

T. Haupt asked how the City was going to monitor the six month compliance associated with homeless shelters and transitional housing.

F. Ramirez stated that the operator has to report to the State about its tenants and the City Code reflects the time allotted for transition. Each operator is audited annually for compliance and funding.

T. Haupt asked staff if the SP-4 zone has ever been considered as a possible site for the types of proposed housing under the Ordinance.

F. Ramirez indicated that City is considering a Transit Oriented Development Overlay Zone that may include housing opportunities for range of market and affordable housing uses including transitional and supportive housing.

T. Haupt asked staff if only one homeless shelter is ever built would we be in compliance.

F. Ramirez stated that if one is built and even if no one ever uses it, the City would still be in compliance.

K. Beaulieu asked about the limited public turnout to the public hearing.

F. Ramirez informed the commission about the city's public noticing requirements for similar zone text amendments that have a city-wide impact. He informed the commission that the public hearing notice was published in the *San Fernando Valley Sun Newspaper*. Additionally he said that the environmental document requires 20 days publication notice prior to the final approval to assure that the project is in compliance. Additionally there was a second publication notice under the CEQA Notice of Intent and Notice of Public Hearing before the City Council was published in the Los Angeles *Daily Newspaper*.

Public Testimony

Julian Ruelas – 653 N. Huntington Street, San Fernando – Mr. Ruelas asked if staff has researched what other cities have done and how they are dealing with implementing the rules in their cities. He stated that there have been two zones identified where homeless shelters can be built and the zone on First Street would create an adverse impact on the residents and that only allowing a shelter on Arroyo Avenue would be optimal.

Linda Campanella – San Fernando – Ms. Campanella stated that staff provided a thorough report and the economy is important. She stated that she has a family member who is nationally recognized for his designs of Homeless Shelters and Transitional Housing in Orange County. She stated that these home and shelters would be no different than your typical home or office building.

F. Ramirez discussed the feasibility of segmenting land uses within different areas of the same zoning district. He noted that this can create potential discrimination of one land use within the same zoning district. He also noted that there is currently low-income housing being built at 1422 San Fernando Road, a city owned site that has many of the same high end amenities seen in similar market rate rental units.

Planning Commission Minutes of January 8, 2013
Page 5 of 5

Subsequent to discussion Commissioner A. Durham moved to adopt the Initial Study and Negative Declaration and recommend to the City Council adoption of the proposed Ordinance that would implement the 2008-2014 General Plan Housing Element's Housing Implementation Program No. 11. Seconded by Commissioner Y. Mejia, the motion carried with the following vote:

AYES:	A. Durham, Y. Mejia, T. Haupt, and R. Salinas
NOES:	K. Beaulieu
ABSENT:	None
ABSTAIN:	None

STAFF COMMUNICATIONS

City Planner Fred Ramirez provided the commission with an update to the following:

- Lopez Adobe Project Phase II
- 2013-2021 Housing Element
- 2013 Greater Los Angeles Homeless Count

COMMISSION COMMENTS

None

PUBLIC STATEMENTS

None

ADJOURNMENT

Vice-chair A. Durham moved to adjourn to February 5, 2013. Second by Commissioner R. Salinas, the motion carried with the following vote:

AYES:	A. Durham, R. Salinas, K. Beaulieu, T. Haupt, and Y. Mejia
NOES:	None
ABSENT:	None
ABSTAIN:	None

9:08 P.M.
Fred Ramirez
Planning Commission Secretary

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ADMINISTRATION DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator

DATE: February 19, 2013

SUBJECT: Approval of Agreement for City Attorney Services with the Law Firm of Olivarez Madruga, P.C.

RECOMMENDATION:

It is recommended that the City Council:

- a. Approve an Agreement for City Attorney services (Attachment "A") with the Law Firm of Olivarez Madruga, P.C. ; and
- b. Appoint Rick R. Olivarez as the City Attorney.

BACKGROUND:

1. On May 7, 2012, the City Council approved an agreement for City Attorney services with the firm of Meyers Nave.
2. At or about that time, the City Council directed that a review of the fees from Meyers Nave would take place within six months of the approval of their contract. This direction was given in response to concerns that the law firm has the highest billing rates of the firms the City Council considered to serve as City Attorney.
3. On February 5, 2013, during the regular City Council meeting, Mayor Lopez brought up the point that Meyers Nave was due the six month review as directed by the prior City Council. Though the review was to take place at the six month period, workload ultimately pushed the date back. As a result, on February 5, 2013, an Ad Hoc Committee, comprised of Mayor Lopez and Mayor Pro Tem Ballin, were designated to conduct the review.
4. On February 6, 2013, the Ad Hoc Committee met and reviewed with the City Administrator the billings of Meyers Nave. After reviewing those costs, the Ad Hoc Committee then reviewed responses to the Request for Proposals (RFP) from other firms and specifically considered three firms that responded to the RFP in late 2011 and found that the hourly rates

Approval of Agreement for City Attorney Services with the Law Firm of Olivarez Madruga, P.C.

Page 2

proposed by these three firms were considerably lower than the current City Attorney. Of these three firms it should be noted that two of them were in the final list of five during the process when Meyers Nave was selected.

5. Based on the determination that Meyers Nave hourly rates were higher than other firms and expenditures for legal services were exceeding budgeted amounts, the Ad Hoc Committee felt that the entire City Council should meet to interview these three other firms and consider whether a new firm should be selected. Therefore, the Mayor called for a special meeting to be held on Wednesday, February 13, 2013, for this purpose and three firms were invited to the interview.

ANALYSIS:

The City Council met in Closed Session to evaluate the services provided by Meyers Nave and then interviewed three law firms with significant municipal law experience. All three firms that were interviewed proposed billing rates for General and Special Services in the range of \$185 to \$200 per hour, \$225 for complex cases and specialty work, and up to \$295 for Litigation. The billing rates for Meyers Nave start at \$225 per hour for General work and between \$225 and \$325 for Special Services and Litigation. For comparison purposes, the last invoice for Meyers Nave had 101 hours at \$225 for General Services; assuming the same number of hours for the other firms and using an average rate of \$195 would result in a cost difference of \$3,030 in that one month billing period. The other rates from Meyers Nave, ranged \$310 to \$325, so there likely would be an added savings. Of course the actual month-to-month savings will depend on the number of hours billed and at what rates they are billed.

It is important to note that when one compares billing rates some firms may be able to provide City Attorney services in a more expeditious manner compared to other firms. For example, one firm may bill at a higher rate but can complete the assignment more quickly, thus the actual cost difference may not be as great as the comparison of billing rates alone might suggest. However, all three firms that were interviewed were well qualified, addressed questions about cost effectiveness and containment in their practices and provide municipal legal services to many clients. Therefore, the conclusion of the City Council was that the difference in billing rates was a significant factor and the City should achieve significant budgetary saving by retaining another firm to provide legal services.

CONCLUSION:

While the City Council was very impressed with the three firms interviewed, they were most impressed with the firm of Olivarez Madruga, P.C. and directed staff to negotiate an agreement with them for City Council consideration.

BUDGET IMPACT:

Approval of Agreement for City Attorney Services with the Law Firm of Olivarez Madruga, P.C.

Page 3

Based on the lower billing rates proposed by the three firms interviewed by the City Council, the City should be able to achieve a savings by making a change. Considering the City's severe financial position, cost savings need to be achieved wherever possible, without compromising quality. Councilmembers were impressed with the three firms they interviewed, in particular the recommended firm, and believe significant savings can be achieved by making a change without compromising the quality of legal services.

ATTACHMENT:

A. Agreement for Professional Services

ATTACHMENT "A"**AGREEMENT FOR
CITY ATTORNEY SERVICES**

THIS AGREEMENT is entered into this ____ day of _____, 2013 ("Agreement"), by and between the CITY OF SAN FERNANDO, a municipal corporation, (herein referred to as "CITY"), the Successor Agency of the Redevelopment Agency of the City of San Fernando, the San Fernando Public Financing Authority and the San Fernando Parking Authority (collectively CITY) and OLIVAREZ MADRUGA, P.C. (herein referred to as "FIRM") (CITY and FIRM are hereinafter referred to collectively as "the Parties").

NOW, THEREFORE, the Parties do hereby agree as follows:

SERVICES. CITY does hereby retain FIRM and FIRM does hereby accept CITY as a client for the purpose of representing the CITY as City Attorney and General Counsel. Rick R. Olivarez shall be designated as the City Attorney. Thomas M. Madruga, Richard E. Padilla, Isabel Birrueta and David F. Gondek shall be designated as the Assistant City Attorneys. FIRM agrees to provide legal services as herein below described and at the rates as further set forth in this Agreement.

1. **TERM.** This Agreement shall be effective _____, 2013, and shall continue hereafter until terminated by the CITY or FIRM as provided herein.

2. **FIRM BILLING PROCEDURES AND RATE.** FIRM shall prepare an itemized monthly billing on or about the first day of each month. CITY shall review FIRM's itemized monthly billing and approve payment of authorized charges to FIRM as promptly as possible. FIRM will keep time records in one-tenth hour increments. CITY agrees to pay FIRM fees at the hourly rates as indicated on the FIRM's Rate Sheet which is attached hereto as Exhibit A. These rates include a discounted rate of One Hundred Eighty Dollars (\$180.00) per hour for the first twenty-five (25) hours billed per each calendar month; thereafter the rates will be Two Hundred Dollars (\$200.00) per hour. These rates may be adjusted periodically, generally at the beginning of the fiscal year, upon the mutual agreement of the parties. Services rendered by other professionals and experts shall be billed to CITY as costs. CITY shall pay the amount due on all bills upon receipt.

3. **COSTS.** FIRM shall be reimbursed for all out-of-pocket costs and expenses advanced by FIRM. Said costs and expenses shall include, but not be limited to, filing fees, deposition fees, witness fees, costs for investigation, service of process fees and other related court costs, air travel, costs of accommodation for matters on behalf of CITY, parking fees, copy fees, facsimile costs and other related travel costs. All such costs shall be submitted to CITY for approval as part of the monthly billing statement. No individual cost in excess of \$500 shall be incurred without the approval of the City Administrator or his/her designee.

4. **RESPONSIBILITIES OF FIRM.** FIRM agrees to provide legal services as to all matters as designated by CITY which includes general municipal law and other related legal issues as requested by CITY. Rick R. Olivarez shall be designated as City Attorney. All other members of FIRM shall have the authority to serve on behalf of CITY as needed and directed by Rick R. Olivarez. The FIRM shall have Rick R. Olivarez or Thomas M. Madruga, Richard E. Padilla, Isabel Birrueta or David F. Gondek present at City Council meetings and at other meetings as CITY deems appropriate. Rick R. Olivarez or Thomas M. Madruga, Richard E. Padilla, Isabel Birrueta or David F. Gondek shall be present at such meetings except for reasonable vacations, illness or emergency absences at which time a member from FIRM shall be assigned to represent CITY. FIRM may provide office hours at City Hall as mutually agreed by both parties.

5. **INDEMNIFICATION AS CITY OFFICERS.** Members of FIRM engaged in services under this Agreement are deemed officers of the CITY. In the event of any third party claims brought against FIRM members for actions taken in the course and scope of their official duties, upon such a determination, CITY agrees to indemnify and defend them against such third party claims.

6. **USE OF OTHER FIRMS.** In order to properly and effectively protect the best interests of CITY in specialized areas of the law, FIRM shall have the right to assign legal matters to special counsel (law firms or attorneys), subject to the City Administrator's approval. CITY may also contract directly to special counsel in specialized areas of the law.

7. **INDEPENDENT CONTRACTOR AND HOLD HARMLESS.** It is agreed that FIRM shall serve as an independent contractor and not as an employee of CITY. FIRM

agrees to hold harmless and indemnify CITY for any claims, losses, liens, demands and causes of action for FIRM's negligent or tortious conduct while serving as City Attorney. It is further agreed that CITY is not the exclusive client of FIRM, and FIRM shall have the right to serve as the attorneys for other clients.

8. **INSURANCE**. FIRM warrants and represents that it is covered by a policy of professional liability insurance, insuring CITY as a client, in an amount not less than \$1,000,000 per occurrence and \$2,000,000 aggregate liability.

9. **EVALUATION OF PERFORMANCE**. CITY and FIRM shall establish a system to monitor and evaluate the performance, timeliness of services, and other issues relative to the terms of this Agreement. Performance evaluations shall be conducted on an annual basis during the first quarter of each fiscal year of this Agreement.

10. **CONFLICTS**. FIRM states that there are presently no matters which would require the execution of a conflict waiver from any of its clients. Further, FIRM states that if any conflicts arise during the performance of this Agreement, FIRM will notify CITY. FIRM and each of its members shall at all times comply with the statutes, rules and regulations governing the conduct of attorneys.

11. **TERMINATION OF SERVICES**. CITY may terminate FIRM's services at any time by written notice with or without cause. After receiving such notice, FIRM will cease providing services. FIRM will cooperate with CITY in the orderly transfer of all related files and records to CITY's new counsel. FIRM may terminate its services at any time with CITY's consent or for good cause. Good cause exists if (a) any statement is not paid within sixty (60) days of its date; (b) CITY fails to meet any other obligation under this Agreement and continues in that failure for fifteen (15) days after written notice to the CITY; (c) CITY has misrepresented or failed to disclose material facts to FIRM, refused to cooperate with FIRM, refused to follow FIRM's advice on a material matter, or otherwise made its representation unreasonably difficult; or (d) any other circumstance exists in which ethical rules of the legal profession mandate or permit termination, including situations where a conflict of interest arises. If FIRM terminates its services, CITY agrees to execute a substitution of attorney promptly and otherwise cooperate in effecting that termination. Termination of FIRM's services, whether by CITY or by FIRM,

will not relieve CITY of the obligation to pay for services rendered and costs incurred before FIRM's services formally ceased.

12. **NO GUARANTEE OF OUTCOME.** Any comments made by FIRM regarding the potential outcome of general matters are expressions of opinion only and are not guarantees or promises about any outcome or results.

13. **ENTIRE AGREEMENT.** This Agreement for legal services contains FIRM's entire Agreement about our representation. Any modifications or additions to this Agreement must be made in writing.

14. **NOTICES.** All notices pertaining to this Agreement shall be in writing and addressed as follows:

If to Firm: Rick R. Olivarez
Olivarez Madruga, P.C.
1100 South Flower Street
Suite 2200
Los Angeles, CA 90015

If to City: City of San Fernando
117 Macneil Street
San Fernando, CA 91340
Attention: City Administrator

IN WITNESS WHEREOF, this Agreement is signed and entered into by the parties hereto on this ____ day of _____, 2013.

CITY OF SAN FERNANDO

OLIVAREZ MADRUGA, P.C.

By: Donald E. Penman
Its: Interim City Administrator

By: Rick R. Olivarez
Its: Managing Partner

EXHIBIT A
OLIVAREZ MADRUGA, P.C.

RATE SHEET

COMPENSATION AND OTHER PROFESSIONAL SERVICE ISSUES

<u>City Attorney and General Counsel Services</u>	<u>Hourly Rate</u>
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First 25 Hours Billed per Calendar Month:

Partners	\$180.00
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Associates	\$180.00
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After First 25 Hours Billed per Calendar Month:

Partners	\$200.00
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Associates	\$200.00
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The FIRM shall not impose additional charges for secretarial or other support staff time.

Billing Procedure and Payment Procedure

FIRM provides an itemized billing statement once a month with a complete listing of all services rendered and costs advanced. FIRM works cooperatively with our clients to meet the client's needs to provide a clear, comprehensive billing statement. Attorneys bill at .10 hour increments.

Facsimile:	\$.50 per page
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Copies:	\$.20 per page
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Mileage	\$.565 per mile (IRS standard)
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Postage, long distance telephone, and out-of-pocket expenses	At Cost
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Air Travel:	At Cost
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FINANCE DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator
By: Rafaela T. King, Interim Finance Director

DATE: February 19, 2013

SUBJECT: Fiscal Year (FY) 2012-2013 Mid-Year Budget Review

RECOMMENDATION:

It is recommended that the City Council:

- a. Review and discuss the FY 2012-2013 Mid-Year Budget Review report (Attachment "A");
- b. Direct staff to schedule final approval of any adjustments to the FY 2012-13 Mid-Year Budget Review Report for a future City Council meeting; and
- c. Provide direction to staff on developing a plan to address budget shortfalls, negative fund balances and debt owed to the Enterprise Funds by the General Fund and Grant Fund.

BACKGROUND:

1. On June 21, 2012, pursuant to Section 2-647 of the City of San Fernando Municipal Code, a Notice of Public Hearing was published in the Daily News and the San Fernando Valley Sun newspapers to notify interested parties and advise residents of the Public Hearing to adopt the FY 2012-2013 City Budget.
2. On June 18, 2012, the City Council adopted a Resolution authorizing the City Administrator to continue with the City's operations beyond June 30, 2012 using FY 2011-2012 City Budget until such time that the City Council adopts the FY 2012-2013 City Budget.
3. On July 2, 2012, the FY 2012-2013 City Budget was adopted by the City Council.
4. During the months of January and February 2013, the Finance Department met with various Departments to review the status of expenditures and the need for proposed changes. In light of the current economic situation and the financial position of the City as presented by the FY 2012 Comprehensive Annual Financial Report (CAFR) these reductions are necessary in

Fiscal Year (FY) 2012-2013 Mid-Year Budget Review

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order to begin the process of developing a plan to balance the General Fund budget and create a reserve for the coming fiscal years.

ANALYSIS:

The FY 2012-2013 Mid-Year Budget Review provides City Council with an assessment of expenditures and revenues (as of January 2013) for the City's General Fund. It gives the City Council an opportunity to review the General Fund and address both revenue and expenditure adjustments that might be necessary in order to achieve a more accurate budget for the current fiscal year.

As part of the Mid-Year review process, it came to the attention of staff that various personnel and contractual related expenditures were not included in the adoption of the original budget and must be included. Specifically, funding for certain positions was eliminated from the budget; however, the positions were not. It is unclear to current management why this was done. This adds up to about \$200,000.

The Mid-Year Budget Review also provides an overview of other factors that can potentially affect current and future City Budgets. These factors are listed below as **Revenue Updates, Budget Amendments** (to be proposed in a subsequent Budget Resolution) and the affects of the **Current Economic Downturn and On-going State Budget**.

Revenue Updates

The Mid-Year Budget Review provides information on certain changes in the projected revenues, which should be presented while considering the expenditure amendments to the FY 2012-2013 City Budget. A listing of actual revenues expected, as compared to the amount budgeted in FY 2012-2013 for the General Fund, is included as Attachment "A" and reflects the balances as of January 31, 2013.

Projected Revenues

- As noted in Attachment "A", as of January 31, 2013, the amount collected for the General Fund revenues were at \$8.5 million or 50%. The amount of revenues collected as of the Mid-Year Budget Review depends on the type of revenue that is received. For example, revenues related to Business License Taxes and Franchise Fees are low in the first half of the year since the majority of these revenues are collected in the third and fourth quarter of the fiscal year.
- Some key changes projected to be above or below adopted figures are noted below:
 - The property taxes are expected to increase by approximately \$243,360
 - The Redevelopment Agency Reimbursement has a decrease of \$375,000
 - The booking and processing fee reimbursement has a decrease of \$150,000
 - Parking citations is decreased by \$165,000
 - Code enforcement citations is decreased by \$165,000
 - Pass-thru miscellaneous revenues is expected to decrease by \$135,000
 - Transfers from gas tax fund is expected to decrease by \$147,445
 - Business license taxes are expected to decrease by \$40,000

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- Sales taxes are projected to increase by \$186,419.

The updated projections to the General Fund revenues have been previously discussed and are reflected in detail in Attachment “C”. The net impact is a \$646,805 decrease to the FY 2012-2013 General Fund Projected Revenues. While there is a projected decrease in revenues, the most positive news is that the two largest sources, sales tax and property tax, should exceed estimates. Attachment “B” provides a detailed review of revenues.

Budget Amendments

The Mid-Year Budget Review provides information on certain expenditures that will require an amendment to the FY 2012-2013 City Budget. A listing of actual expenditures, as compared to the amount budgeted in FY 2012-2013 for the General Fund, is included as Attachment “A” and reflects the balances as of January 31, 2013.

Attachment “E” provides the General Fund expenditures in greater detail. In order to proactively address the decreases in revenues that are projected for the current and subsequent years, a decrease from the adopted expenditure budget was requested of all departments. A listing of the proposed decreases as compared to the FY 2012-2013 City Budget is reflected in Attachment “A” and will be included in the proposed Budget Resolution to be presented at a later date.

The following are proposed budget amendments to expenditures that will amend the FY 2012-2013 City Budget.

Budget Amendment – Expenditures

- During the Mid-Year Budget Review, a comparison was done between the current fiscal year Budget and the amount expended to date by fund. As noted in Attachment “A”, the General Fund expenditures as of January 2013, was at \$8.4 million or 49%.
- The following are the proposed budget amendments related to expenditures:
- General Fund: Although the General Fund expenditures are being spent according to the budget, all Departments were requested to reduce their budgets (Attachment “E”) to address the current year challenges of balancing the budget.
- At this time, the net increase of \$191,076 in expenditures is reflected in Attachment “E”. Included in the net amount are proposed decreases of: \$37,100 (Elections); \$200 Finance; \$10,552 (Community Development); \$300,000 (Fire Services); and \$9,342 (Public Works);
- There are also proposed increases of: \$42,264 (Treasury); \$91,883 (Personnel); \$58,170 (Police); \$300,000 (Non Departmental); and \$55,953 (Parks & Recreation). During the original adoption of the budget, salary costs for the Treasury, Personnel, Police and Parks & Recreation were removed from the final adopted budget and as such are being added back to fund the currently filled positions.
- Also important to note is the Administration budget may likely have an overage of \$47,945 in salaries due to the leave accruals payout of \$31,493 for the previous City Administrator

Fiscal Year (FY) 2012-2013 Mid-Year Budget Review

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and \$17,179 during the six week period in which he was on administrative leave while the Interim City Administrator was performing the duties. Part of this cost can be offset with the \$14,400 currently budgeted by the prior council for the "Cost of Doing Business Study", if the Council no longer has that on their immediate agenda. Also, the Interim City Administrator does not receive benefits so there will be a savings in that account for the balance of the fiscal year.

- The City was granted an extension on the payment terms of its California Housing Finance Agency (CHFA) loans on July 20, 2012. One payment of \$100,000 was due and paid on August 1, 2012 and the second payment of \$200,000 is due on June 30, 2013. However, the budget was never amended to reflect this obligation so a \$300,000 expenditure is reflected in the budget.
- The City mistakenly failed to budget for County Animal Control Services, resulting in a \$70,000 additional expenditure.
- Additional savings of \$25,000 and \$10,000, respectively may be obtained in the current fiscal year in recruiting costs for the permanent Police Chief and Finance Director positions as well as in the final selection of the Time clock software depending on how Council decides to proceed. The effects of which are included as a comparison in Attachment "D".

The reduction in the General Fund reserves is a result of the current economic conditions that has impacted both State and local governments. During this recession, the City of San Fernando has experienced decreases in sales and property taxes, parking citations, and various other General Fund revenues over the last four fiscal years. Increases in expenditures occurred during this same time frame due to the implementation of Memorandums of Understanding (MOU) with the various employee unions that were estimated at \$1.6 million. The approved MOUs placed salaries between 85% to 100% of the salary survey median for each bargaining unit: 85% of the median for Management Group; 95% of the median for San Fernando Police Officers' Association; and 100% of the median for San Fernando Public Employees' Association.

The FY 2012-2013 Budget Process included the following recommendations:

- Maintain positions frozen until the General Fund has enough reserves to cover future expenditures;
- Freeze positions as they are left vacant (attrition) and restructure, if needed;
- Evaluate equipment in order to assess the possibility of extending capital equipment purchases over a longer period of time; and,
- Amendment of Management Group's MOU to provide that group members contribute 50% of the employee portion of pension costs.

Fiscal Year (FY) 2012-2013 Mid-Year Budget Review

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The Interim City Administrator would agree with these recommendations except that frozen positions could be filled with approval by the City Council as part of a scheduled Council agenda item.

Most departments have been reducing operating expenditures over the last four fiscal years and have also implemented some of the recommendations noted above. During the FY 2012-2013 Mid-Year Budget Review, departments were instructed to reduce the budget in all areas where there was potential savings and to accurately show any necessary increases in order to present the true financial picture of the current year budget.

Current Economic Downturn and State Budget

The current economic downturn has had a significant negative affect on the General Fund revenues. The General Fund revenues will slowly stabilize as the economy gets better; however, until then, both revenues and expenditures will need to be monitored closely.

During the last fiscal year, the Governor signed AB 1X 26 which eliminated Redevelopment in California. This has had a direct negative impact to revenues for the City. The City no longer receives an annual amount of approximately \$6 million towards the Redevelopment Fund. The net impact to the General Fund is approximately an annual loss of \$750,000. Also, as the recession negatively impacted General Fund revenues, due to the City's reliance on redevelopment funds, the dissolution of redevelopment had a more severe impact.

The City has been able to adjust to changes in the timing of revenues that resulted from the FY 2011-2012 State actions by closely monitoring cash flow throughout the fiscal year. At this time, the State has not finalized its upcoming budget but any adverse budget impacts to the City will be addressed during the upcoming FY 2013-2014 City Budget process.

CONCLUSION:

In preparation for the FY 2012-2013 Mid-Year Budget Review, some departments have achieved a reduction in order to address the budget challenges. The increases are largely attributable to the salary costs that were removed from the original budget and the unbudgeted CHFA loan. The net impact to the General Fund expenditures is an increase of \$191,076 to the budget. Taking into consideration the effect of the projected decrease in General Fund revenues for FY 2012-2013, the combined effect on the General Fund is a further reduction of the negative fund balance of \$819,846. The total ending Fund balance for the General Fund is projected at a negative/deficit balance of \$1,072,965 at June 30, 2013 (this does not include the Insurance Fund deficit).

For Financial statement purposes, the General Fund and the Self Insurance Fund are combined in the Comprehensive Annual Financial Report (CAFR). The Self Insurance Fund's FY 2012-13 activities are projected to yield a deficit of \$266,635. When this amount is added to the beginning negative/deficit balance of \$983,665, the combined results for FY 2012-13 is further reduced to a cumulative negative Self Insurance Fund balance/deficit of \$1,250,300.

Fiscal Year (FY) 2012-2013 Mid-Year Budget Review

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As presented in the FY 2012 CAFR, the beginning cumulative fund balance for the General Fund and the Self Insurance was a negative \$1,236,784. The combined total from the General Fund and the Self Insurance activities for the FY 2012-2013 are projected to be a negative \$1,086,481. The cumulative FY 2012-2013 projected negative fund balance/deficit is \$2,323,265. **This anticipated deficit must be addressed with further budgetary measures during the remainder of this fiscal year and in the subsequent fiscal year.** This number does not include the \$2,000,000 deficit in the Grants Fund.

The City has taken significant steps to address the fiscal challenges that it faces while maintaining the delivery of quality municipal services to the community. Measures were implemented to ensure that costs for service delivery were being recovered, and to augment potential revenues sources and improve organizational efficiency in the deliver of city services. Such measures included controlling and reducing operation costs by renegotiating each memorandum of understanding with each union group that resulted in savings (e.g., modified benefits, frozen positions, staff reductions), renegotiation of contracts and professional service agreements with current vendors and public service providers, a comprehensive updating of the City's schedule of fees for services in general, adoption of sewer and water rate increases to make enterprise funds self sufficient and reduce need for General Fund monies, upgrade of energy efficient lighting infrastructure, applying for grant funds to offset planning and police personnel costs, applying for alternative fuel credits from the Federal government related to the sale of CNG (City's CNG station) while expanding capacity to sell more CNG, and deferring capital purchases where deemed appropriate.

However, it is becoming increasingly difficult to maintain quality services with few resources including staff. Since FY 2008-2009, staffing has been reduced by nineteen (19) full-time positions from 119 to 100 which would be a 16% cut.

During FY 2012-2013, the City will need to focus on creating a plan that incorporates generating new sources of revenues that address the shortfalls, lost revenues, and debt, along with further expenditure reductions and increased efficiencies for FY 2013-2014 so the City can begin to build a reserve. Building a general fund reserve is critical in order to achieve sustainability and to overcome unanticipated economic events such as a natural disaster, further budget cuts from the State and Federal Governments, or a continuing sluggish economy.

ATTACHMENTS:

- A. Summary of General Fund Proposed Changes by Department (including Fund 06 Self Insurance)
- B. Summary of Changes to General Fund Revenue Projections
- C. Detail of General Fund Revenue Received and End of Year Estimates (as of Jan. 31, 2013)
- D. Summary of Mid Year Projections and Adjustments
- E. Detail of General Fund Expenditure Proposed Reductions/Increases by Department

**City of San Fernando
FY 2012-2013 General Fund**

ATTACHMENT "A"

General Fund Projected Actual by Source Comparison to Budget

	E	A	B	C	D (A+B)	D-E	
General Fund	2011-2012 Actuals	Adopted 2012/2013 Budget	2012-2013 Actuals through 1/31/13	Projected February through June 2013	FY 2012-13 Mid Year Adjustments	Projected Actual FYE 2013	Variance
SOURCE OF REVENUE							
Property Taxes	1,423,758	1,335,993	1,072,994	506,359		1,579,353	243,360 18.2%
<i>Property Taxes In-Lieu of VLF</i>	<i>1,874,672</i>	<i>1,877,109</i>	<i>970,341</i>	<i>970,341</i>		<i>1,940,682</i>	<i>63,573 3.3%</i>
Sub-total Property Taxes*	3,298,430	3,213,102	2,043,335	1,476,700	-	3,520,035	306,933 8.7%
Sales Taxes	2,549,781	2,520,000	1,388,266	1,318,153		2,706,419	186,419 7.4%
<i>Triple Flip Payment (Sales Taxes)</i>	<i>603,373</i>	<i>840,000</i>	<i>433,790</i>	<i>433,791</i>		<i>867,581</i>	<i>27,581 3.3%</i>
Sub-total Sales Taxes*	3,153,154	3,360,000	1,822,056	1,751,944	-	3,574,000	214,000 6.0%
Business License Taxes	1,011,400	1,060,000	230,364	789,636		1,020,000	(40,000) -3.8%
Franchise Fees	307,119	301,000	45,304	249,696		295,000	(6,000) -2.0%
Admissions Taxes	833,710	840,000	382,815	457,185		840,000	- 0.0%
Construction Permits	278,936	225,000	116,631	110,369		227,000	2,000 0.9%
Parking Citations	713,471	715,000	320,593	229,407		550,000	(165,000) -23.1%
Rental Income	199,447	215,000	86,941	128,059		215,000	- 0.0%
Interest Income	918	1,000	-	1,000		1,000	- 0.0%
RDA & Misc. Reimbursements	303,460	655,459	44,810	87,033		131,843	(523,616) -79.9%
Motor Vehicle In-Lieu (VLF)	12,549	-	13,003	-		13,003	13,003 #DIV/0!
Charges for Current Services	449,544	478,000	249,086	228,914		478,000	- 0.0%
Sales of Property & Other Revenues	1,568,255	1,483,444	677,396	505,368		1,182,764	(300,680) -20.3%
Sub-total Fees, Permits and Other Revenues	4,667,409	4,913,903	1,936,579	1,997,031	-	3,933,610	(980,293) -19.9%
Transfers from Other Funds	4,758,227	4,465,863	2,516,925	1,801,493		4,318,418	(147,445) -3.3%
Total General Fund Revenues	16,888,620	17,012,868	8,549,259	7,816,804	-	16,366,063	(646,805) -4.0%
EXPENDITURES							
City Council	116,728	118,730	62,239	56,491	-	118,730	- 0.0%
City Treasurer	148,566	105,048	84,518	62,794	42,264	147,312	(42,264) 40.2%
City Administration	212,410	306,582	170,581	136,001	-	306,582	- 0.0%
Personnel Division	257,265	222,837	148,887	165,833	91,883	314,720	(91,883) 41.2%
City Attorney	406,029	250,000	165,132	84,868	-	250,000	- 0.0%
City Clerk	125,084	130,918	74,747	56,171	-	130,918	- 0.0%
Elections	58	103,000	12,110	53,790	(37,100)	65,900	37,100 -36.0%
<i>City Officials and Administrative Offices</i>	<i>1,266,140</i>	<i>1,237,115</i>	<i>718,214</i>	<i>615,948</i>	<i>97,047</i>	<i>1,334,162</i>	<i>(97,047) 7.8%</i>
Finance	552,219	540,804	218,306	322,298	(200)	540,604	200 0.0%
Community Development	660,339	869,839	460,848	398,439	(10,552)	859,287	10,552 -1.2%
Retirement - Pers	1,898,783	1,972,496	1,052,323	920,173		1,972,496	- 0.0%
Non-Departmental	569,699	780,795	327,249	753,546	300,000	1,080,795	(300,000) 38.4%
Fire Services (LAFD)	3,159,359	2,900,000	526,560	2,073,440	(300,000)	2,600,000	300,000 -10.3%
Police Services (SFPD)	6,066,283	5,675,079	3,355,538	2,377,711	58,170	5,733,249	(58,170) 1.0%
Public Works	1,738,516	1,765,396	925,627	830,427	(9,342)	1,756,054	9,342 -0.5%
Recreation & Comm Services	1,396,631	1,253,309	839,757	469,505	55,953	1,309,262	(55,953) 4.5%
<i>Departmental</i>	<i>16,041,829</i>	<i>15,757,718</i>	<i>7,706,208</i>	<i>8,145,539</i>	<i>94,029</i>	<i>15,851,747</i>	<i>(94,029) 0.6%</i>
Total General Fund Expenditures	17,307,969	16,994,833	8,424,422	8,761,487	191,076	17,185,909	(191,076) 1.1%
Total Year End Surplus/ (Deficit) (Revenues less Expenditures)						(819,846)	
Reserve Fund	(253,119)	(235,084)	124,837	(944,683)	191,076	(1,072,965)	(837,881) 356.4%
Reserve/(Deficit) Carry-Over YE 2012	(253,119)						
Adjusted Reserve Fund Balance						(1,072,965)	
Fund 06							
Total Self Insurance Fund Revenues	1,159,593	1,240,000	480,295	343,070		823,365	(416,635) -33.6%
Total Self Insurance Fund Expenditures	1,357,711	1,090,000	808,752	281,248		1,090,000	- 0.0%
Total Year End Surplus/ (Deficit) (Revenues less Expenditures)						(266,635)	
Reserve Fund Balance	(983,665)	(833,665)	(328,457)	61,822	-	(1,250,300)	(416,635) -50.0%
Reserve/(Deficit) Carry-Over YE 2012	(983,665)						
Adjusted Reserve Fund Balance						(1,250,300)	
Current Year Combined Reserve (Funds 01 & 06)						(1,086,481)	
Cumulative 2012 YE Fund Balance (Funds 01 & 06)	(1,236,784)	(1,068,749)				(2,323,265)	

ATTACHMENT "B"

City of San Fernando
 Fiscal Year 2012-2013
 Mid-Year Review: Revenue Adjustments
 February 19, 2013

General Fund Revenues	Acct #	(Reductions)	Increases	Description
Property Taxes	01-31xx-0000		243,360	Based on County tax roll & consultant (HdL)
Property Taxes In-Lieu	01-3605-3110		63,573	Based on year to date actual amount received
Sales & Use taxes	01-3210-0000		186,419	Based actuals and consultant (HdL)
Triple Flip/Sales Tax	01-3210-3110		27,581	Based on year to date actual amount received
Business License Taxes	01-3240-0000	(40,000)		Based on year to date actual amount received
Vehicle Tow Franchise Fees	01-3232-0000	(6,000)		Based on actuals received & projected amounts remaining to be collected
ATM Transaction Fee	01-3345-0000		3,000	Based on year to date trend
SB1186 State Fee	01-3351-0000		800	Based on year to date trend
Banner and Sign Permits	01-3390-0000		2,000	Due to increase in activity.
General Court Fines	01-3420-0000	(4,000)		Based on year to date trend
Code Enforcement Citations	01-3425-0000	(165,000)		Due to compliance order
Parking Citations	01-3430-0000	(165,000)		Based on year to date actual amount received
Motor Vehicle In-Lieu (VLF)	01-3605-0000		13,003	Revenue not anticipated.
CA Reimb for Mandated Costs	01-3685-0000	(14,000)		Due to the State deferring claim reimbursements.
RDA Reimbursements	01-3690-0000	(375,000)		Governor's dissolution of Redevelopment.
Miscellaneous Reimbursements	01-3699-0000		852	Reimbursement not anticipated.
Zoning & Planning Fees	01-3705-0000	(8,000)		Not enough staff to process applications
Inspection Upon Resale Program	01-3714-0000		2,000	Based on year to date actual amount received
Multi-family Rental Inspection	01-3716-0000	(5,000)		Due to ordinance and fee schedule not currently established.
AIMS Maint & Develop Surcharge Edgesoft	01-3719-0154	(22,400)		Cost recovery acct
DUI Cost Recovery	01-3723-0000	(5,000)		Based on year to date trend
Booking & Processing Fee Reimb	01-3725-0000	(150,000)		Based on year to date trend
Vendor Inpection Fees	01-3728-0000	(4,000)		Reduction due to fee only being applied to new vendors.
Swimming Pool Area Rental Fees	01-3731-0000		2,131	Based on year to date trend
Upstairs Banquet Rental at Rec Park	01-3732-0000		1,455	Based on year to date trend
Swim Team Fees	01-3733-0000		30,057	Based on year to date trend
Classes/Aerobics	01-3734-0000		3,268	Based on year to date trend
Weed Abatement Program	01-3740-0000	(5,000)		Due to compliance order
Swimming Lessons	01-3770-1338		8,532	Based on year to date trend
Facility Rental	01-3777-0000			Based on year to date trend
Swimming Pool	01-3779-0000		23,763	Based on year to date trend
Impounded Vehicles	01-3781-0000	(15,000)		Based on year to date trend
Miscellaneous Revenue	01-3901-0000	(135,000)		Based on year to date trend
General City Election	01-3920-0000		24	Revenue not anticipated.
SA Administrative Cost Allowance	01-3947-0000		1,222	Administrative Cost Allowance due from the Successor Agency.
Property Damage Reimburse	01-3950-0000		6,000	Increase in billable claims
Transfers From Other Funds		(147,445)		Decrease due to only being able to transfer for street related projects.
Total General Fund		(1,265,845)	619,040	Net Impact: \$646,805 Decrease

City of San Fernando
Income Report - Detail
February 19, 2013

ATTACHMENT "C"

For Month and YTD January 31, 2013

	Actual as of 1/31/2013	FY 12-13 Adopted Budget	Variance	%	Mid Year Adjustments	End of Year Estimate
01 GENERAL FUND						
Revenue						
Property Taxes						
3110-0000 SECURED PROPERTY TAXES-CY	693,383	1,239,648	(546,265)	56%	-	1,239,648
3120-0000 UNSECURED PROPERTY TAXES C/Y	23,395	60,600	(37,205)	39%	-	60,600
3130-0000 PRIOR YEARS PROPERTY TAXES	(82,572)	7,575	(90,147)	-1090%	-	7,575
3142-0000 RESIDUAL TAX REVENUE	140,211	-	140,211	0	140,250	140,250
3146-0000 CITY PASS THROUGH - TAXING ENTITY	287,109	-	287,109	0%	103,110	103,110
3150-0000 PROPERTY TAX PENALTIES & INT	6,122	17,170	(11,048)	36%	-	17,170
3625-0000 HOMEOWNERS PROPERTY TAX RELIEF	5,346	11,000	(5,654)	49%	-	11,000
Property Taxes	1,072,993	1,335,993	(263,000)	80%	243,360	1,579,353
Property Taxes In-Lieu of VLF						
3605-3110 PROP TAX IN LIEU OF MOTR VHCL LIC FEE	970,341	1,877,109	(906,768)	52%	63,573	1,940,682
Property Taxes In-Lieu of VLF	970,341	1,877,109	(906,768)	52%	63,573	1,940,682
Sub-total Property Taxes	2,043,334	3,213,102	(1,169,768)	64%	306,933	3,520,035
Sales & Use Taxes						
3210-0000 SALES AND USE TAXES	1,297,437	2,370,000	(1,072,563)	55%	186,419	2,556,419
3211-0000 P.S.A.F.	90,829	150,000	(59,171)	61%	-	150,000
Sales & Use Taxes	1,388,266	2,520,000	(1,131,734)	55%	186,419	2,706,419
Triple Flip						
3210-3110 PROP TAX IN LIEU OF SALES & USE TAX	433,790	840,000	(406,210)	52%	27,581	867,581
Triple Flip	433,790	840,000	(406,210)	52%	27,581	867,581
Sub-total Sales & Use Taxes	1,822,056	3,360,000	(1,537,944)	54%	214,000	3,574,000
Business License Taxes						
3240-0000 BUSINESS LICENSE TAXES	194,082	1,000,000	(805,918)	19%	(40,000)	960,000
3240-3243 SWAPMEET BUSINESS LICENSE	36,282	60,000	(23,718)	60%	-	60,000
Business License Taxes	230,364	1,060,000	(829,636)	22%	(40,000)	1,020,000
Franchise Fees						
3230-0000 FRANCHISES	3,760	143,000	(139,240)	3%	-	143,000
3231-0000 CABLE TV FRANCHISE	32,679	120,000	(87,321)	27%	-	120,000
3232-0000 VEHICLE TOW FRANCHISE FEE	8,865	38,000	(29,135)	23%	(6,000)	32,000
Franchise Fees	45,304	301,000	(255,696)	15%	(6,000)	295,000

**City of San Fernando
Income Report - Detail
February 19, 2013**

For Month and YTD January 31, 2013

	Actual as of 1/31/2013	FY 12-13 Adopted Budget	Variance	%	Mid Year Adjustments	End of Year Estimate
01 GENERAL FUND						
Revenue						
Admissions Taxes						
3260-0000 ADMISSION TAXES	382,815	840,000	(457,185)	46%	-	840,000
Admissions Taxes	382,815	840,000	(457,185)	46%	-	840,000
Construction Permits						
3320-0000 CONSTRUCTION PERMITS	76,373	163,000	(86,627)	47%	-	163,000
3325-0000 COMMERCIAL AND HOME OCCUPANCY F	11,850	22,000	(10,150)	54%	-	22,000
3330-0000 PLANNING REVIEW	5,112	11,000	(5,888)	46%	-	11,000
3335-0000 GARAGE SALE PERMITS	2,190	4,000	(1,810)	55%	-	4,000
3350-0000 BUSINESS LICENSE PERMITS	12,940	15,000	(2,060)	86%	-	15,000
3390-0000 BANNER AND SIGN PERMITS	8,167	10,000	(1,833)	82%	2,000	12,000
Construction Permits	116,631	225,000	(108,369)	52%	2,000	227,000
Parking Citations						
3430-0000 PARKING CITATIONS	320,593	715,000	(394,407)	45%	(165,000)	550,000
Parking Citations	320,593	715,000	(394,407)	45%	(165,000)	550,000
Interest & Rental Income						
3500-0000 INTEREST INCOME	0	1,000	(1,000)	0%	-	1,000
3520-0000 RENTAL INCOME	86,941	215,000	(128,059)	40%	-	215,000
Interest & Rental Income	86,941	216,000	(129,059)	40%	-	216,000
RDA & Misc. Reimbursements						
3655-0000 P.O.S.T. REIMBURSEMENT	0	4,500	(4,500)	0%	-	4,500
3685-0000 CALIF REIMB FOR MANDATED COSTS	0	25,000	(25,000)	0%	(14,000)	11,000
3688-0000 CORRECTIONS TRAINING	3,025	6,303	(3,278)	48%	-	6,303
3690-0000 REDEVELOPMENT AGENCY REIMB.	0	375,000	(375,000)	0%	(375,000)	-
3699-0000 MISCELLANEOUS REIMBURSEMENTS	852	0	852	0%	852	852
3725-0000 BOOKING & PROCESSING FEE REIMB	18,461	200,000	(181,539)	9%	(150,000)	50,000
3770-0000 PARK & RECREATION PROGRAM	(89)	0	(89)	0%	-	-
3770-1338 SWIM LESSONS	20,860	24,656	(3,796)	85%	8,532	33,188
3950-0000 PROPERTY DAMAGE REIMBURSEMENT	1,702	20,000	(18,298)	9%	6,000	26,000
RDA & Misc. Reimbursements	44,810	655,459	(610,649)	7%	(523,616)	131,843
Motor Vehicle In-Lieu (VLF)						
3605-0000 MOTOR VEHICLE IN-LIEU TAX	13,003	0	13,003	0%	13,003	13,003
Motor Vehicle In-Lieu (VLF)	13,003	0	13,003	0%	13,003	13,003

**City of San Fernando
Income Report - Detail
February 19, 2013**

For Month and YTD January 31, 2013

	Actual as of 1/31/2013	FY 12-13 Adopted Budget	Variance	%	Mid Year Adjustments	End of Year Estimate
01 GENERAL FUND						
Revenue						
Charges for Current Services						
3240-3245 BUSINESS LICENSE PROCESSING FEE	32,164	73,000	(40,836)	44%	-	73,000
3715-0000 SPECIAL POLICE SERVICES	118,473	250,000	(131,527)	47%	-	250,000
3720-0000 FINGERPRINT SERVICES	24,728	45,000	(20,272)	55%	-	45,000
3720-3721 FINGERPRINT - LIVESCAN SERVICES	22,429	50,000	(27,571)	45%	-	50,000
3726-0000 VEHICLE INSPECTION FEES	9,687	25,000	(15,313)	39%	-	25,000
3730-0000 ENGINEERING & INSPECTION FEES	33,425	15,000	18,425	223%	-	15,000
3783-0000 VEHICLE ADMIN. PROCESSING FEE	8,180	20,000	(11,820)	41%	-	20,000
Charges for Current Services	249,086	478,000	(228,914)	52%	-	478,000
Sales of Property & Other Revenues						
3250-0000 DOCUMENTARY TAXES	18,424	35,000	(16,576)	53%	-	35,000
3345-0000 ATM TRANSACTION FEE	2,808	1,200	1,608	234%	3,000	4,200
3351-0000 SB1186 STATE FEE	818	0	818	0%	800	800
3415-0000 VEHICLE REPOSSESSION FEES	880	1,000	(120)	88%	-	1,000
3420-0000 GENERAL COURT FINES	3,385	12,000	(8,615)	28%	(4,000)	8,000
3425-0000 CODE ENFORCEMENT CITATIONS	7,002	182,000	(174,998)	4%	(165,000)	17,000
3510-0000 FILMING REVENUE	27,486	30,000	(2,514)	92%	-	30,000
3705-0000 ZONING & PLANNING FEES	20,551	48,000	(27,449)	43%	(8,000)	40,000
3706-0000 PUBLIC NOTIFICATION FEES	0	3,000	(3,000)	0%	-	3,000
3708-0000 ENVIRONMENTAL ASSESSMENT FEES	0	500	(500)	0%	-	500
3710-0000 DUPLICATING FEES	8,607	15,000	(6,393)	57%	-	15,000
3714-0000 INSPECTION UPON RESALE PROGRAM	9,600	10,000	(400)	96%	2,000	12,000
3716-0000 MULTI-FAMILY RENTAL INSPECTION PRO	0	5,000	(5,000)	0%	(5,000)	-
3719-0154 AIMS MAINT & DEVELOP SURCHARGE ED	8,501	42,400	(33,899)	20%	(22,400)	20,000
3723-0000 DUI RECOVERY COST PROGRAM	840	10,000	(9,160)	8%	(5,000)	5,000
3728-0000 VENDOR INSPECTION FEES	8,452	19,000	(10,548)	44%	(4,000)	15,000
3731-0000 SWIMMING POOL AREA RENTAL FEES	5,209	6,157	(948)	85%	2,131	8,288
3732-0000 UPSTAIRS BANQUET RENTAL AT REC PAR	4,589	4,205	384	109%	1,455	5,660
3733-0000 SWIM TEAM FEES	89,223	86,863	2,360	103%	30,057	116,920
3734-0000 CLASSES/AEROBICS	10,092	9,447	645	107%	3,268	12,715
3735-3661 CNG FUELING STATION	189,430	200,000	(10,570)	95%	-	200,000

**City of San Fernando
Income Report - Detail
February 19, 2013**

For Month and YTD January 31, 2013

	Actual as of 1/31/2013	FY 12-13 Adopted Budget	Variance	%	Mid Year Adjustments	End of Year Estimate
01 GENERAL FUND						
Revenue						
3740-0000 WEED ABATEMENT PROGRAM	0	5,000	(5,000)	0%	(5,000)	-
3777-0000 FACILITY RENTAL	30,118	55,000	(24,882)	55%	-	55,000
3779-0000 SWIMMING POOL	59,054	68,672	(9,619)	86%	23,763	92,435
3780-0000 COURT COMMITMENT PROGRAM	67,110	105,000	(37,890)	64%	-	105,000
3781-0000 IMPOUNDED VEHICLES	15,106	55,000	(39,894)	27%	(15,000)	40,000
3785-0000 ALARM FEES	14,180	16,000	(1,820)	89%	-	16,000
3855-0000 PARKING METER REV-CIVIC CENTER	37,346	90,000	(52,654)	41%	-	90,000
3890-0195 RELAY FOR LIFE	1,378	1,500	(122)	92%	-	1,500
3901-0000 MISCELLANEOUS REVENUE	27,084	215,000	(187,916)	13%	(135,000)	80,000
3901-3750 SENIOR NUTRITION MEALS-CONTRIBUTIC	327	0	327	0%	-	-
3907-0000 REFUND OF EXCISE TAXES	2,469	50,000	(47,531)	5%	-	50,000
3908-0000 MISCELLANEOUS REVENUE - SWIMMING	0	0	0	0%	-	-
3920-0000 GENERAL CITY ELECTION	24	0	24	0%	24	24
3930-0000 MALL MAINTENANCE LEVY	5,937	100,000	(94,064)	6%	-	100,000
3947-0000 SA ADMINISTRATIVE COST ALLOWANCE	1,222	0	1,222	0%	1,222	1,222
3960-0000 AREA B ASSESSMENT ADMIN LEVY	148	1,500	(1,352)	10%	-	1,500
Sales of Property & Other Revenues	677,396	1,483,444	(806,048)	46%	(300,680)	1,182,764
Transfers from Other Funds						
3795-0000 ADMINISTRATIVE OVERHEAD	625,848	1,050,000	(424,152)	60%	-	1,050,000
3961-0000 TRANSFER FROM GAS TAX FUND	368,582	631,855	(263,273)	58%	(147,445)	484,410
3963-0000 TRANSFER FROM TRAFFIC SAFETY	17,500	30,000	(12,500)	58%	-	30,000
3968-0000 TRANSFER FROM PROP C FUND	58,863	115,908	(57,045)	51%	-	115,908
3976-0000 TRANSFER-FIRE RETIREMENT TRNSF	183,225	314,100	(130,875)	58%	-	314,100
3978-0000 TRANS FROM RETIREMENT TAX FUND	1,052,323	1,963,000	(910,677)	54%	-	1,963,000
3979-0000 TRANSFER FROM PAVEMENT MANAGEM	140,000	240,000	(100,000)	58%	-	240,000
3992-0000 TRANSFER FROM SEWER	35,000	60,000	(25,000)	58%	-	60,000
3995-0000 TRANSFER FROM THE WATER FUND	35,583	61,000	(25,417)	58%	-	61,000
Transfers from Other Funds	2,516,925	4,465,863	(1,948,938)	56%	(147,445)	4,318,418
Fees, Permits and Other Revenues	4,453,504	9,379,766	(4,926,262)	47%	(1,127,738)	8,252,028
Total Revenue Sources	8,549,258	17,012,868	(8,463,610)	50%	(646,805)	16,366,063

ATTACHMENT "D"

**City of San Fernando
Summary of Mid Year Projections and Adjustments
February 19, 2013**

Fiscal Year 2012-213

Total Adopted General Fund Expenditures	16,994,832.00
Mid-Year Expenditure Adjustments	191,076.00
Subtotal	<u>17,185,908.00</u>
Total Adopted General Fund Revenues	17,012,868.00
Projected Revenue Shortfall	(646,805.00)
Subtotal	<u>16,366,063.00</u>
Total Year End General Fund Deficit	<u><u>819,846.00</u></u>

*** Additional Possible Savings Depending on Council Direction**

* 1) Police Chief and Finance Director recruitment may be pushed to FY 2013-2014 for a savings of \$25,000.

* 2) Time clock software could be a savings of \$10,000.

* 3) Professional Services for "Cost of doing business" study savings of \$14,040.

Total Adopted General Fund Expenditures	16,994,832.00
Mid-Year Expenditure Adjustments	142,036.00
Subtotal	<u>17,136,868.00</u>
Total Adopted General Fund Revenues	17,012,868.00
Projected Revenue Shortfall	(646,805.00)
Subtotal	<u>16,366,063.00</u>
Total Year End General Fund Deficit	<u><u>770,806.00</u></u>

ATTACHMENT "E"

City of San Fernando
Fiscal Year 2012-2013
February 19, 2013

A) Mid-Year Review: General Fund Expenditure Reductions/Increases

Department/Division	F/T Salaries 4101	P/T Salaries 4103	Overtime 4105	Overtime Court 4107	Overtime Contract Duty 4109	Commis Reimburse 4111	O.A.S.D.I. 4120	Health Insurance 4126	Dental Insurance 4128	Workers Compensation 4130	Optical Insurance 4136	Life Insurance 4138	Utilities 4210
01-101 City Council													
01-102 Treasury	42,409												
01-105 Administration													
01-106 Personnel	92,183												
01-110 City Attorney													
01-112 Labor Attorney													
01-115 City Clerk													
01-116 Elections	(9,100)												
Other Departments	125,492												
01-130 Finance	(55,000)												
01-140 Building and Safety	1,057												
01-150 Planning/Administration	8,276												
01-152 Community Preservation	2,115		(5,000)										
Community Development	11,448		(5,000)										
01-222 P.D. Admin		55,000			(9,980)								
01-224 Detectives					(11,700)								
01-225 Patrol	(110,000)	55,000		(15,000)									
01-226 Police Reserves/Explorers		5,800											
01-226 Community Service													
01-230 Police	(110,000)	115,800		(15,000)	(21,680)								
Fire Services													
01-500 Fire Services - Contract	-	-											
Retirement Related Expenses													
01-180													
Non-Departmental													
01-190 CalHFA Sect 108 Loans													
01-310 PW Administration													615
01-320 PW Vehicle Maint.													
01-341 Mall Maintenance													
01-346 Streets, Trees, & Parkways													
01-390 PW Facilities Mgt													
Public Works													
01-420 Recreation													
01-422 Community Services	9,784		(104)			(950)							(5,084)
01-423 Rec Facilities	(16,753)	98											
01-424 Special Events		42,052						(7,755)	(105)	(4,230)		(369)	
01-430 Aquatics	(1,609)	(9,309)						(7,755)	(105)	(4,650)	(420)		(15,009)
Parks & Rec	(8,578)	32,841	(104)			(950)	(3,781)	(7,755)	(105)	(4,650)		(369)	(20,093)
Total General Fund	(36,638)	148,641	(5,104)	(15,000)	(21,680)	(950)	(3,781)	(7,755)	(105)	(4,650)		(369)	(19,478)

City of San Fernando
Fiscal Year 2012-2013
February 19, 2013

A) Mid-Year Review: General Fund Expenditure Reductions/Increases

Department/Division	Phone 4220	Advertising 4230	Insurance 4240	Postage 4280	Capital Project 3661-4600	Contract. Services 4260	Profess. Services 4270	Supplies 4300	Equip. Maint 4320	Transfer Fund 6 4906	Personnel Training 4360	Building Maint & Repairs 4330	Meeting Mem/Trav 4370
01-101 City Council													
01-102 Treasury			(250)				(250)	50	250				55
01-105 Administration													(350)
01-106 Personnel													
01-110 City Attorney													
01-112 Labor Attorney													
01-115 City Clerk													
01-116 Elections						(28,000)							
<i>Other Departments</i>			(250)			(28,000)	(250)	50	250		-		(295)
01-130 Finance			(200)			55,000							
01-140 Building and Safety							(5,000)	(500)	(4,000)				
01-150 Planning/Administration									(3,000)				
01-152 Community Preservation									(4,000)				(500)
<i>Community Development</i>							(5,000)	(500)	(11,000)		-		(500)
01-222 P.D. Admin						113,800		(20,250)			(2,000)		
01-224 Detectives											(2,000)		
01-225 Patrol													(500)
01-226 Police Reserves/Explorers													
01-230 Community Service													
<i>Police</i>						113,800		(20,250)			(4,000)		(500)
01-500 Fire Services													
Fires Services - Contract						(300,000)					-		
01-180 Retirement Related Expenses													
<i>Non-Departmental</i>													
01-190 CalHFA Sect 108 Loans													
01-310 PW Administration													
01-320 PW Vehicle Maint.													
01-341 Mall Maintenance													
01-346 Streets, Trees, & Parkways									48				
01-390 PW Facilities Mgt								(950)			(150)	(1,640)	
<i>Public Works</i>								(950)	48		(150)	(1,640)	
01-420 Recreation	4,170					(16,563)					200		
01-422 Community Services													
01-423 Rec Facilities													
01-424 Special Events													
01-430 Aquatics	1,241					87,803		17,546				(19,000)	
<i>Parks & Rec</i>	5,411					71,240		17,546			200		
Total General Fund	5,411		(450)			(87,950)	(5,250)	(4,104)	(10,702)		(3,950)	(1,640)	(1,295)

A) Mid-Year Review: General Fund Expenditure Reductions/Increases

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COMMUNITY DEVELOPMENT DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator
By: Fred Ramirez, City Planner
Edgar Arroyo, Assistant Planner

DATE: February 19, 2013

SUBJECT: Approval of a Professional Services Agreement with Veronica Tam and Associates to Prepare the 2013-2021 Housing Element Update

RECOMMENDATION:

Staff recommends that the City Council:

- a. Approve a Professional Services Agreement (Attachment "A") with the firm of Veronica Tam and Associates to prepare the 2013-2021 Housing Element Update, per the approved scope of work, in an amount not to exceed \$38,495; and
- b. Authorize the Interim City Administrator to execute a professional services agreement with the firm of Veronica Tam and Associates per the approved scope of work, in an amount not to exceed \$38,495 with an additional 10% contingency for unforeseen, additional work.

BACKGROUND:

1. Pursuant to Government Code Section 65588, as amended in 2008 by SB 375 (Steinberg), an update to the housing element of the general plan is required every eight (8) years to reflect the City's current housing conditions and to assess the adopted goals, objectives, and policies that assist in fulfilling the city's housing allocation, as prescribed by the Southern California Association of Governments (SCAG) through the Regional Housing Needs Assessment (RHNA) process.

Prior to 2008, the housing element of the general plan required updates every five (5) years to factor in each jurisdiction's updated RHNA allocation, reflect current housing conditions, and incorporate revisions to state law within the respective housing element planning cycle. In compliance with state law at the time, the city adopted the 2008-2014 Housing Element on April 6, 2012, to reflect the goals, policies, and objectives to be undertaken within the fourth planning cycle.

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On September 30, 2008, SB 375 (also referred to as the “Sustainable Communities and Climate Protection Act”) was adopted by the State of California and extended the timeframe for subsequent housing element updates from five to eight years. The purpose for this extension was to allow a local jurisdiction’s housing element to conform to the planning cycle of the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS) that is prepared by each jurisdiction’s corresponding metropolitan planning organization (MPO). Additionally, updates to subsequent RHNA allocations were adjusted to follow the same planning cycle as the RTP/SCS. As required by SB 375, the City is required to adopt an updated housing element no later than 18 months from the adoption of the RTP/SCS by SCAG. Failure to adopt a housing element by the 18 month deadline would require the City to conduct more frequent updates to the housing element. Rather than requiring an update to the housing element every eight years, City’s that are noncompliant would be required to update their housing elements every four years.

2. On April 4, 2012, the RTP/SCS was adopted by SCAG and, therefore, defined the 18-month deadline that cities within the SCAG planning area would need to adopt the required housing element update as October 15, 2013. Subsequent to adoption of the housing element by the city, the 2013-2021 Housing Element would be submitted to California Department of Housing and Community Development (HCD) for review, comment, and final certification.
3. On December 3, 2012, staff circulated a request for proposals (RFP) to prospective planning consultant firms to prepare 2013-2021 Housing Element update. In addition, on December 5, 2012, staff published a public notice requesting proposals for the housing element update in the print and online editions of the *Los Angeles Daily Newspaper*. The public notice was also made available online on the websites of the national level of the American Planning Association (www.planning.org), the Los Angeles Section of the American Planning Association (www.la-apa.org), and Planetizen (www.planetizen.com), with links to the city’s website (<http://www.ci.san-fernando.ca.us/overview/pr-rfp-rfq.shtml>) to download the RFP and associated attachments. The deadline noted on the RFP to submit a proposal to the city was December 28, 2012.
4. At the end of the submittal period ending on December 28, 2012, staff received a total of seven (7) proposals to prepare the 2013-2021 Housing Element Update. The following firms submitted a proposal by the noted deadline:
 - 1000s2u
 - Blodgett Baylosis Associates
 - GRC Associates
 - Hogle-Ireland
 - Lisa Wise Consulting
 - Thomas E. Figg Consulting Services
 - Veronica Tam and Associates

Subsequent to submittal, staff reviewed each proposal for consistency with the scope of work outlined in the RFP and to ensure that each proposal provided the necessary services for the updated housing element to comply with state housing element law.

5. Based on staff’s review of the submitted proposals, an addendum to the RFP (Addendum No. 1) was issued on January 23, 2013, to ensure consistency among all proposals submitted for

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review and to request additional services to ensure that the 2013-2021 Housing Element complies with state housing element law for certification by HCD. The submittal deadline for Addendum No. 1 was on January 28, 2013. Subsequent to submittal of responses to Addendum No. 1 and revised proposals, staff reviewed each proposal to evaluate the scope of work to be provided.

6. After review of all proposals, staff determined the top two proposals submitted by GRC Associates and Veronica Tam and Associates to prepare the housing element update based on the selection criteria noted in the RFP. On February 12, 2013 City staff conducted an interview with GRC Associates. On February 13, 2013, City staff interviewed the firm of Veronica Tam and Associates. As part of the proposal review process City staff also conducted reference checks for both prospective firms.

ANALYSIS:

Based on City staff's review of all proposals and interview and reference checks conducted with the top two consultant firms, it staff's assessment and recommendation that the consultant firm of Veronica Tam and Associates be selected to prepare the 2013-2021 Housing Element Update.

The following sections provide an overview of the scope of work and criteria used in the RFP review process.

Scope of Work. The scope of work provided in the RFP for the preparation of the 2013-2021 Housing Element includes the necessary work program to be undertaken to in order for the housing element to comply with state law and qualify for certification by HCD. As noted in the RFP, the following tasks are required to be undertaken as part of this process.

Task 1: Housing Element Review and Assessment.

As part of this task, all applicable state, regional, and city documents pertaining to the housing element update, including but not limited to the city's General Plan, City Code, building permit data, and any other City housing policies and programs shall be reviewed by the consultant. The consultant shall also review and prepare an evaluation of the current housing element and its policies and programs to measure the City's progress within the current planning cycle.

Task 2: Preparation of Housing Element.

As part of this task, the necessary components of the housing element that address the requirements of state law shall be prepared. This task includes the preparation of a housing needs analysis, identification of housing resources and opportunities, identification of any constraints to housing development, developing a housing policy program with quantified objectives, and creating an implementation program to guide the activities to be undertaken within the housing element planning cycle.

Task 3: Prepare and Finalize Housing Element.

As part of this task, the consultant shall be responsible for preparation of the draft and final housing element that incorporates feedback and comments from planning staff, the Planning and Preservation Commission, City Council, members of the public, and HCD.

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Task 4: Compliance with the California Environmental Quality Act.

As part of this task, the consultant shall draft, finalize, and file the required environmental documents pursuant to the California Environmental Quality Act (CEQA).

Task 5: Community Workshops and Public Hearings.

As part of this task, the consultant shall work with planning staff to facilitate study sessions, public hearings, and presentations regarding the housing element update. To encourage public participation, a public study session with the Planning and Preservation Commission is budgeted to allow for public comment. In addition to the study session, the Planning and Preservation Commission and City Council will each hold meeting to review and comment on the draft housing element prior to submittal to HCD.

Task 6: HCD Liaison.

As part of this task, the consultant shall act as the liaison to the City with HCD. This task includes submittal of the housing element for review, revisions to comments, and finalizing the document to comply with all applicable requirements to achieve certification.

Task 7: Final Housing Element and Certification.

As part of this task, the consultant shall work with City staff to finalize the housing element and work with HCD to obtain certification of the document.

Additional Services. Subsequent to staff's initial review of each proposal, Addendum No. 1 was issued on January 23, 2013, to ensure consistency among all submitted proposals and to request additional services to ensure that the 2013-2021 Housing Element complies with state law for certification by HCD. For the housing element to qualify for certification, the following items are required to be completed prior to submittal of the housing element for review by HCD.

Adoption of a Density Bonus Ordinance.

Pursuant to Government Code Section 65915, as amended by SB 1818 (Hollingsworth), applicants of residential projects of five or more units may apply for a density bonus and additional incentives if the project provides a certain level of affordable units. Currently, the City does not have an adopted density bonus ordinance and utilizes the State's standards for permitting affordable housing developments, as required by law. For certification of the 2013-2021 Housing Element, the City is required to draft and adopt a density bonus ordinance pursuant to State law. If a density bonus ordinance is not adopted by the City, the housing element will not qualify for certification by HCD.

Compliance with AB 162.

Pursuant to Government Code Section 65302 (AB 162 (Wolk)), cities are required to amend the safety and conservation elements of their respective general plans to include analysis and policies regarding flood hazards and flood management information. To date, the City has not yet amended these elements of the general plan, which were originally adopted in 1987. As part of the preparation of the housing element update, compliance with AB 162 will be incorporated into the housing element's work plan for the 2013-2021 planning cycle. The safety and conservation elements shall then be amended within the new cycle to comply with State law.

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Reasonable Accommodations Ordinance.

Pursuant to Government Code Section 65583(c)(3), cities are required by Federal and State laws to develop plans for meeting the housing needs of those in the jurisdiction, including individuals with disabilities. The State required that local governments identify constraints to providing housing for individuals with disabilities and develop strategies for removing those constraints. In addressing the housing needs of individuals with disabilities. As such, the cities zoning code would been to be amended to implement provision for providing reasonable accommodations to individuals with disabilities. For certification of the 2013-2021 Housing Element, the city is required to draft and adopt a reasonable accommodations ordinance pursuant to State law. If a reasonable accommodations ordinance is not adopted by the City, the housing element will not qualify for certification by HCD.

In addition to the supplementary items required by State law noted above, Addendum No. 1 includes additional services to assist the City in evaluating greenhouse gas (GHG) emissions in the environmental document to be prepared for the housing element update and assist the City with consultation with the Native American Heritage Commission, as required by Government Code Section 65352.3(a)(1), as amended by SB 18 (Burton).

Selection Process. As part of the RFP review process, City staff consisting of the City Planner, the Public Works Director, and the Assistant Planner evaluated each proposal submitted to prepare the housing element update. Each proposal was evaluated on the following criteria:

- ✓ Experience in the preparation of a Housing Element and/or project of similar complexity
- ✓ Allocation of experienced senior level staff to the project
- ✓ Technical and creative approach
- ✓ Cost of services
- ✓ Familiarity with the City of San Fernando
- ✓ Understanding of the work to be preformed
- ✓ Schedule for overall project

Based on the criteria provided above, City staff selected the top two proposals from the firms of GRC Associates and Veronica Tam and Associates that were submitted for consideration to prepare the housing element update. The scope of work to be provided by the consultants, per the City's RFP and as amended by Addendum No. 1, along with the proposed cost for these services, is provided below.

Table 1: RFP Cost Analysis				
	GRC Associates		Veronica Tam and Associates	
	Hours	Cost	Hours	Cost
Task 1				
Housing Element Review and Assessment	28	\$2,720	24	\$2,470
Task 2				
Preparation of Housing Element	80	\$8,640	134	\$12,990

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Table 1: RFP Cost Analysis				
		GRC Associates		Veronica Tam and Associates
		Hours	Cost	Hours Cost
Task 3				
Prepare and Finalize Housing Element		26	\$3,080	28 \$3,030
Task 4				
Compliance with CEQA		32	\$3,000	36 \$3,640
Task 5				
Community Workshops and Public Hearings		20	\$2,880	20 \$2,400
Task 6				
HCD Liaison		32	\$3,840	40 \$4,700
Task 7				
Final Housing Element and Certification		14	\$1,840	4 \$440
Other Costs				
Printing			-----	\$1,250
Direct Costs (Reimbursable)			\$850	-----
Project Management		18	\$2,880	-----
Total (Per City RPF issued 12/3/2012)		250	\$29,730	286 \$30,920
Additional Items (Per Addendum No. 1)				
HCD Streamline Review		Included in SOW		Included in SOW
Density Bonus Ordinance		\$6,000		\$1,470
SB 18 (Tribal Consultation)		Included in SOW		\$800
AB 162 Language In HE		\$500		\$0
Reasonable Accommodation Ordinance		Not Provided		\$735
CEQA for Zoning Amendments		Not Provided		\$3,070
GHG Emissions Analysis		\$1,200		\$1,200
Indirect Costs		\$1,000		-----
Misc (Postage/Mileage)		-----		\$300
Estimated Grand Total (Including Items Per Addendum No. 1)		\$38,430		\$38,495

Subsequent to selection of the top two proposals, staff conducted interviews with each of the selected consultants and contacted the references provided in their respective proposals. Based on the review of all proposals, it is staff's recommendation that the firm of Veronica Tam and Associates be selected as the consultant to prepare the 2013-2021 Housing Element. The proposal prepared by Veronica Tam and Associates demonstrates an extensive knowledge and understanding in the preparation housing elements. In addition, the proposal from Veronica Tam and Associates demonstrates extensive knowledge of applicable State housing law and the required programs that need to be implemented in the housing element to achieve certification by HCD in a timely manner. The consultant's proposed timeline affords the City the opportunity to

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adopt and submit a final housing element by the required deadline of October 15, 2013, to HCD for review, comment, and certification. The proposals submitted by Veronica Tam and Associates and GRC Associates are provided for your review as Attachment “B” and Attachment “C” to this report.

Proposed Consultant Cost and Funding Sources. As provided in Table 1 above, the cost to prepare the 2013-2021 Housing Element from Veronica Tam and Associates and GRC Associates are \$38,495 and \$38,430, respectively. The amended proposals from both consultants include all the costs to perform the necessary scope of work to submit and obtain HCD certification of the City’s housing element.

BUDGET IMPACT:

As part of the Fiscal Year (FY) 2012-2013 General Fund Budget, a total of \$36,000 has been allocated for professional services to prepare the housing element update. The project timeline calls for work to begin in FY 2012-2013 and project completion to occur in FY 2013-2014. Therefore, any remaining work and associated expenses not to exceed the contract amount will be budgeted as part of the FY 2013-2014 General Fund budget cycle. In addition, City staff’s request for a 10-percent contingency on the project contract amount is intended to provide the necessary funds to address any unforeseen, additional work that may be required to achieve HCD certification of the housing element.

CONCLUSION:

Approval of the Professional Services Agreement with Veronica Tam and Associates for the approved scope of work will enable staff to proceed with preparation of the 2013-2021 Housing Element, as required by State law, in time to submit the housing element to HCD by the October 15, 2013 due date.

ATTACHMENTS:

- A. Professional Services Agreement
- B. Veronica Tam and Associates Revised Proposal
- C. GRC Consultants Revised Proposal

ATTACHMENT "A"**AGREEMENT FOR PROFESSIONAL SERVICES**

This Agreement for professional services is entered into this ____ day of February 2013 by and between the City of San Fernando, a municipal corporation ("CITY"), and Veronica Tam and Associates, a California corporation ("CONSULTANT").

RECITALS

A. CITY has determined that it requires the following professional services from a planning consultant: to prepare the 2013-2021 Housing Element, an update to the housing element of the San Fernando General Plan as required by state law, per the approved scope of work provided in the Request for Proposal issued December 3, 2012 and as amended by Addendum No. 1 to the RFP issued on January 23, 2013.

B. CONSULTANT represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. CONSULTANT further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of mutual covenants and conditions herein contained, CITY and CONSULTANT agree as follows:

1. DEFINITIONS

A. "Scope of Services": Such professional services as are set forth in Exhibit A, attached hereto and incorporated herein by this reference. In the event of any discrepancy between the express provisions in the body of this Agreement and provisions of Exhibit A, the text in the body of this Agreement shall prevail.

B. "Approved Fee Schedule": Such compensation rates as are set forth in the fee schedule attached hereto as Exhibit C and incorporated herein by this reference.

C. "Commencement Date": February 20, 2013

D. "Expiration Date": May 1, 2014

2. CONSULTANT'S SERVICES

A. Scope of Services. Subject to the terms and conditions set forth in this Agreement, CONSULTANT shall perform the services identified in the Scope of Services for the 2013-2021 Housing Element (hereinafter the "Project"). CITY shall have the right to request, in writing, changes in the scope of work or the services to be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Time for Performance. CONSULTANT shall commence the services on the Commencement Date and shall perform all services in conformance with the Project schedule set forth in Exhibit B attached hereto and incorporated herein by this reference.

C. Standard of Performance. CONSULTANT shall perform all work to the highest professional standards and in a manner reasonably satisfactory to CITY. CONSULTANT shall comply with all applicable federal, state and local laws, ordinances, codes and regulations.

3. REPRESENTATIVES

A. City Representative. For the purposes of this Agreement, the contract administrator and CITY's representative shall be the City Planner, (hereinafter the "City Representative"). It shall be CONSULTANT's responsibility to assure that the City Representative is kept informed of the progress of the performance of the services, and CONSULTANT shall refer any decisions which must be made by CITY to the City Representative. Unless otherwise specified herein, any approval of CITY required hereunder shall mean the approval of the City Representative.

B. Consultant Representative. For the purposes of this Agreement, Veronica Tam, Principal of Veronica Tam and Associates is hereby designated as the principal and representative of CONSULTANT authorized to act on its behalf with respect to the services specified herein and make all decisions in connection therewith (the "Responsible Principal"). The Responsible Principal may not be changed by CONSULTANT without the prior written approval of CITY.

4. CONSULTANT'S PERSONNEL

A. CONSULTANT represents that it has, or will secure at its own expense, all personnel required to perform the services required under this Agreement. All such services will be performed by CONSULTANT or under its supervision, and all personnel engaged in the work shall possess the qualifications, permits and licenses required by applicable law to perform such services.

B. CONSULTANT shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Agreement, and compliance with all reasonable performance standards established by CITY.

C. As provided in Exhibit A, CONSULTANT may utilize the services of subconsultants to undertake specific work tasks. Fees for services provided by subconsultants, identified in Exhibit A, shall be compensated as set forth in Exhibit C.

D. In the event that CITY, in its sole discretion, at anytime during the term of this Agreement, desires the removal of any person or persons assigned by CONSULTANT to perform services pursuant to this Agreement, CONSULTANT shall remove any such person immediately upon receiving notice from CITY of the desire of CITY for the removal of such person or persons.

E. CONSULTANT shall be responsible for payment of all employees' and subconsultants' wages and benefits and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security.

F. Permits and Licenses. CONSULTANT shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a City of San Fernando business license.

5. FACILITIES AND EQUIPMENT

Except as otherwise authorized by CITY in writing, CONSULTANT shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

6. TERM OF AGREEMENT

This Agreement is effective as of the Commencement Date and shall terminate on the Expiration Date, unless sooner terminated as provided in Section 18 herein.

7. COMPENSATION

A. CITY agrees to compensate CONSULTANT for the services provided under this Agreement, and CONSULTANT agrees to accept in full satisfaction for such services, a sum not to exceed Thirty Eight Thousand Four Hundred and Ninety Five dollars (\$38,495.00) payable as earned during the Project in accordance with Exhibit C. The compensation payable hereunder includes all professional services. Payments shall be made in accordance with Section 8 herein. CITY shall not withhold applicable federal or state payroll or any other required taxes, or other authorized deductions from each payment made to CONSULTANT. No claims for compensation in excess of the not-to-exceed amount for the Project as shown in Exhibit C will be allowed unless such additional compensation is authorized by CITY in writing. All requests for compensation in excess of the not-to-exceed amount must be submitted to and approved by the City Administrator.

B. CONSULTANT shall be entitled to reimbursement only for those expenses expressly set forth in the Approved Fee Schedule. In no event shall total expenses for project services exceed the sum of Thirty Eight Thousand Four Hundred and Ninety Five dollars (\$38,495.00).

C. Additional Services. No claims for additional services performed by CONSULTANT which are beyond the scope set forth in Exhibit A will be allowed unless such additional work is authorized by CITY in writing prior to the performance of such services. Additional services, if any are authorized, shall be compensated on a time and materials basis using CONSULTANT's Approved Fee Schedule (Exhibit C). Fees for such additional services shall be paid within thirty (30) days of the date CONSULTANT issues an invoice to CITY for such services.

8. METHOD OF PAYMENT

CONSULTANT shall submit to CITY an invoice, on a monthly basis, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Such itemizations shall include the days worked, number of hours worked, and authorized reimbursable expenses incurred with appropriate back-up

documentation and receipts evidencing the authorized expenses, if any, for each week in the period and shall separately describe any additional services authorized by CITY. Any invoice claiming compensation for additional services shall include appropriate documentation of CITY's prior authorization. Within ten (10) business days of receipt of each invoice, CITY shall notify CONSULTANT in writing of any disputed amounts included on the invoice. Within thirty (30) calendar days of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice up to the maximum amount set forth in Section 7.

9. OWNERSHIP OF WORK PRODUCT

All reports, documents or other written material ("written products") developed by CONSULTANT in the performance of this Agreement shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. CONSULTANT may take and retain such copies of the written products as desired, but no such written products shall be the subject of a copyright application by CONSULTANT.

10. TRAVEL REIMBURSEMENT

Travel required by CONSULTANT or any subconsultant or subcontractor pursuant to this Agreement shall be a reimbursable expense and shall only be made where necessary to complete the services agreed to be performed under this Agreement. Travel expenses shall be reasonable and shall be incurred in the most cost efficient manner possible. All requests for travel reimbursement shall be accompanied by appropriate back-up documentation and receipts evidencing authorized expenses.

11. INDEPENDENT CONTRACTOR

CONSULTANT will act hereunder as an independent contractor. This Agreement shall not and is not intended to constitute CONSULTANT as an agent, servant, or employee of CITY and shall not and is not intended to create the relationship of partnership, joint venture or association between CITY and CONSULTANT.

CONSULTANT agrees to pay all required taxes on amounts paid to CONSULTANT under this Agreement, and to indemnify and hold CITY harmless from any and all taxes, assessments, penalties, and interest asserted against CITY by reason of the independent contractor relationship created by this Agreement. CONSULTANT shall fully comply with the workers' compensation laws regarding CONSULTANT and CONSULTANT's employees. CONSULTANT further agrees to indemnify and hold CITY harmless from any failure of CONSULTANT to comply with applicable workers' compensation laws. CITY shall have the right to offset against the amount of any fees due to CONSULTANT under this Agreement any amount due to CITY from CONSULTANT as a result of CONSULTANT's failure to promptly pay to CITY any reimbursement or indemnification arising under this Section.

12. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONSULTANT without prior written consent by CITY. CITY shall

grant such consent if disclosure is legally required or necessary to provide the services under this Agreement. All CITY data shall be returned to CITY upon the termination of this Agreement. CONSULTANT's covenant under this Section shall survive the termination of this Agreement.

13. CONFLICTS OF INTEREST

CONSULTANT hereby warrants for itself, its employees, and subcontractors that those persons presently have no interest and shall not obtain any interest, direct or indirect, which would conflict in any manner with the performance of the services contemplated by this Agreement. No person having such conflicting interest shall be employed by or associated with CONSULTANT in connection with this Project. CONSULTANT hereby warrants for itself, its employees, and subcontractors that no such person shall engage in any conduct which would constitute a conflict of interest under any CITY ordinance, state law or federal statute. CONSULTANT agrees that a clause substantially similar to this Section shall be incorporated into any sub-contract that CONSULTANT executes in connection with the performance of this Agreement.

14. INDEMNIFICATION

A. Indemnity for Professional Liability. When the law establishes a professional standard of care for the services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless Authority and any and all of its members, officers, employees, agents, attorneys, representatives, consultants, volunteers, successors and assigns ("Indemnified Parties") from and against any and all claims, charges, damages, demands, actions, proceedings, losses, costs, expenses, whether actual, alleged or threatened, actual attorney's fees, court costs, and accountant's fees, judgments, civil fines and penalties, and liabilities of any kind or nature whatsoever ("liabilities"), to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

B. Indemnity for Other than Professional Liability. Other than in the performance of professional services and to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless the Indemnified Parties from and against all liabilities arising out of or in any way connected with, in whole or in part, the acts or omissions of Consultant, its officers, agents, employees or subconsultants (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including but not limited to, claims, suits and liabilities for bodily injury, death or property damage to any individual or entity, including employees or officials of Consultant. The provisions of this paragraph shall not apply to claims arising out of the sole negligence or willful misconduct of the Indemnified Parties.

C. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 14 from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this Section 10.

D. This obligation to indemnify, defend and hold harmless the Indemnified Parties is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this Agreement or final payment hereunder. This obligation to indemnify, defend and hold harmless is in addition to any other rights or remedies that the Indemnified Parties may have under the law. Failure of Authority to monitor compliance with these requirements imposes no additional obligations on Authority and will in no way act as a waiver of any rights hereunder.

E. In the event of any claim or demand made against an Indemnified Party which is entitled to be indemnified hereunder, Authority may, in its sole discretion, reserve, retain or apply any monies due to Consultant under this Agreement for purposes of resolving such claims; provided, however, Authority may release such monies if Consultant provides Authority with reasonable assurance of protection of the Indemnified Party's interests. Authority shall, in its sole discretion, determine whether such assurances are reasonable.

F. The indemnity requirements set forth in this Section 14 are intended to be separate and distinct from any other provision in this Agreement and are intended to be interpreted as such.

15. INSURANCE

A. CONSULTANT shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1. Commercial General Liability Insurance with minimum limits of One Million Dollars (\$1,000,000) for each occurrence and in the aggregate for any personal injury, death, loss or damage.
2. Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
3. Worker's Compensation insurance as required by the State of California.
4. Professional Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per occurrence.

B. CONSULTANT shall require each of its sub-consultants or sub-contractors to maintain insurance coverage that meets all of the requirements of this Agreement.

C. The policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

D. CONSULTANT agrees that if it does not keep the insurance required in this Agreement in full force and effect, CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CONSULTANT'S expense, the premium thereon.

E. Prior to commencement of work under this Agreement, CONSULTANT shall file with CITY's Risk Manager a certificate or certificates of insurance showing that the insurance policies are in effect and satisfy the required amounts and specifications required pursuant to this Agreement.

F. CONSULTANT shall provide proof that policies of insurance expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

G. The general liability and automobile policies of insurance shall contain an endorsement naming CITY, its elected officials, officers, agents, employees, attorneys, servants, volunteers, successors and assigns as additional insureds. All of the policies shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days' prior written notice to CITY. CONSULTANT agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

H. The insurance provided by CONSULTANT shall be primary to any other coverage available to CITY. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or volunteers, shall be in excess of CONSULTANT's insurance and shall not contribute with it.

I. All insurance coverage provided pursuant to this Agreement shall not prohibit CONSULTANT, and CONSULTANT's employees, agents, subcontractors, or volunteers from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY.

J. Any deductibles or self-insured retentions must be approved by CITY. At the option of CITY, CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

K. If CONSULTANT is a Limited Liability Company, general liability coverage must be amended so that the Limited Liability Company and its managers, affiliates, employees, agents, and other persons necessary or incidental to its operation are insureds.

L. Procurement of insurance by CONSULTANT shall not be construed as a limitation of CONSULTANT's liability or as full performance of CONSULTANT's duties to indemnify, hold harmless and defend under Section 14 of this Agreement.

16. MUTUAL COOPERATION

A. CITY shall provide CONSULTANT with all pertinent data, documents and other requested information as is reasonably available for the proper performance of CONSULTANT's services.

B. In the event any claim or action is brought against CITY relating to CONSULTANT's performance in connection with this Agreement, CONSULTANT shall render any reasonable assistance that CITY may require.

17. RECORDS AND INSPECTIONS

CONSULTANT shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three (3) years. CITY shall have access, without charge, upon reasonable notice, during normal business hours to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all program data, documents, proceedings, and activities.

18. TERMINATION OF AGREEMENT

A. CITY shall have the right to terminate this Agreement for any reason or for no reason on five (5) calendar days' written notice to CONSULTANT. CONSULTANT shall have the right to terminate this Agreement for any reason or no reason on sixty (60) calendar days' written notice to CITY. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of such notice. All completed and uncompleted products up to the date of receipt of written notice of termination shall become the property of CITY.

B. In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by CONSULTANT, CONSULTANT shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall CONSULTANT be entitled to receive more than the amount that would be paid to CONSULTANT for the full performance of the services required by this Agreement.

19. FORCE MAJEURE

CONSULTANT shall not be liable for any failure to perform if CONSULTANT presents acceptable evidence, in CITY's sole judgment that such failure was due to causes beyond the control, and without the fault or negligence of CONSULTANT.

20. 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 or overnight courier service during CONSULTANT's and CITY's regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid, to the addresses heretofore below, or to such other addresses as the parties may, from time to time, designate in writing.

If to CITY:

Attn: Fred Ramirez
City Planner
City of San Fernando
117 Macneil Street
San Fernando, California 91340

If to CONSULTANT:

Attn: Veronica Tam
Principal
Veronica Tam and Associates
107 S. Fair Oaks Avenue, Suite 212
Pasadena, CA 91105

Telephone: (818) 898-7316
Facsimile: (818) 898-7329

Telephone: (626) 304-0440
Facsimile: (626) 304-0005

21. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

In the performance of this Agreement, CONSULTANT shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation or other basis prohibited by law. CONSULTANT will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation.

22. PROHIBITION AGAINST ASSIGNMENT

CONSULTANT shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without CITY's prior written consent, and any attempt to do so shall be void and of no effect. CITY shall not be obligated or liable under this Agreement to any party other than CONSULTANT.

23. ATTORNEYS' FEES

In the event that CITY or CONSULTANT commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover its costs of suit, including reasonable attorney's fees.

24. ENTIRE AGREEMENT

All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and provisions of any document incorporated by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between CITY and CONSULTANT with respect to the subject matter herein. No other prior oral or written agreements are binding on the parties. Any modification of this Agreement will be effective only if it is in writing and executed by CITY and CONSULTANT.

25. GOVERNING LAW; JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event of litigation between the parties, venue in State trial courts shall lie exclusively in Los Angeles County. In the event of litigation in a United States District Court, exclusive venue shall lie in the Central District of California.

26. SEVERABILITY

Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law. If any provision of this Agreement is determined by

a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.

27. CAPTIONS

The captions used in this Agreement are solely for reference and the convenience of the parties. The captions are not a part of the Agreement, in no way bind, limit, or describe the scope or intent of any provision, and shall have no effect upon the construction or interpretation of any provision herein.

28. EXECUTION

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CITY OF SAN FERNANDO

CONSULTANT:

Don Penman
Interim City Administrator

By: _____
Veronica Tam
Principal

ATTEST:

By: _____

(Two signatures required for Corporation)

Elena G. Chávez
City Clerk

EXHIBIT A

SCOPE OF SERVICES

CONSULTANT shall prepare the 2013-2021 Housing Element, as required State law, and as more particularly set forth in each task included in the Scope of Work provided below.

SCOPE OF WORK: 2013-2021 HOUSING ELEMENT

Task 1: Housing Element Review and Assessment

- a) Document Review. CONSULTANT shall review all applicable state, regional, and city documents pertaining to the housing element update, including but not limited to CITY's General Plan, City Code, building permit data, and any other city housing policies and programs.
- b) Evaluation of Current Housing Element. CONSULTANT shall review and prepare an evaluation of the current housing element and its policies and programs, including:
 - ✓ An evaluation of the status, effectiveness, and appropriateness of current policies and programs with identification of any barriers to implementation;
 - ✓ A comparison of the identified goals from the adopted Housing Element to actual accomplishments during the planning period;
 - ✓ An evaluation of the current Housing Element in relation to current state housing laws with identification of any deficiencies or omissions; and,
 - ✓ A summary of the results from this analysis that includes specific recommended changes to be incorporated into the 2013 – 2021 Housing Element.

Task 2: Preparation of Housing Element

CONSULTANT shall prepare the components of a draft Housing Element that addresses the requirements of state law. In preparing the housing element update, CONSULTANT shall identify issues, immediately bring those issues to the attention of CITY, identify potential solutions, and coordinate with CITY's staff as to the best course of action. CONSULTANT will regularly communicate and meet with CITY's staff as necessary to resolve issues.

- a) Needs Analysis. CONSULTANT shall complete a housing assessment and needs analysis pursuant to Government Code Section 65583(a), Senate Bill 375 (SB 375), and any other applicable state housing law. CONSULTANT shall obtain and analyze demographic, economic, and housing data for CITY and develop a housing needs assessment using state-approved criteria. The assessment shall include, but is not limited to, the following:
 - ✓ Population, demographic, and employment trends with analysis of the existing and projected share of regional housing needs for all income levels;
 - ✓ Housing cost, affordability, housing characteristics, housing stock, and market conditions, including analysis of overcrowding and overpayment;
 - ✓ Housing stock characteristics, including at-risk units and vacant and underutilized land;

- ✓ Potential for increased residential development under existing zoning requirements and General Plan policies; and,
 - ✓ Special housing needs population (e.g. large families, seniors, homeless, et cetera).
- b) Housing Resources and Opportunities. CONSULTANT shall identify housing resources, including programmatic, physical, and financial. In addition, CONSULTANT will prepare an “adequate sites analysis” showing the relationship between CITY’s RHNA allocation and the dwelling unit capacity and availability of potential housing sites based on CITY’s zoning code and General Plan policies, requirements, and limitations. The analysis shall evaluate and include the following:
- ✓ Funding resources;
 - ✓ Regulatory incentives for housing;
 - ✓ Opportunities for energy conservation for residential development; and,
 - ✓ An inventory of vacant and/or underdeveloped land and its suitability for housing development.
- c) Housing Constraints. CONSULTANT shall identify potential and actual governmental and nongovernmental constraints to housing production. These may include, but are not limited to: land use controls (including city code requirements, permitting fees, and permitting processes), physical/environmental constraints, infrastructure, financial, and market constraints. Where constraints exist, CONSULTANT shall identify and develop housing programs to remove the constraints, where feasible.
- d) Housing Policy Program and Quantified Objectives. CONSULTANT shall build upon CITY’s current housing element policy program and the needs and constraints analysis to formulate a housing policy program and implementation plan. The Implementation Plan shall include appropriate housing goals, policies, and quantified objectives relative to the production, conservation, maintenance, preservation, and improvement of housing. The policy program shall be specific, practical, and tailored to the unique needs and challenges of CITY. The policy program will also satisfy the requirements of State Housing Element law, including:
- ✓ Ensuring that housing opportunities are available for all persons in CITY;
 - ✓ Preserving and improving the existing stock of affordable housing;
 - ✓ Facilitating development of adequate housing to meet RHNA goals and the needs of extremely low, very low, low, and moderate income households;
 - ✓ Removing any governmental constraints to housing production, improvement and/or maintenance, including barriers to persons with disabilities; and,
 - ✓ Ensuring consistency with other General Plan elements and community goals.
- e) Implementation Program. CONSULTANT shall prepare and propose an implementation program including monitoring procedures and milestones for assessment purposes.

Task 3: Prepare and Finalize Housing Element

- a) Administrative Draft of Housing Element. CONSULTANT shall prepare an Administrative Draft of the Housing Element and submit three (3) hardcopy versions for review by CITY. In addition, the consultant shall provide an electronic copy of the Administrative Draft on a CD in Microsoft Word Format (MS Word) and Portable Document Format (PDF). The Administrative Draft shall be a complete draft and include all required components of a Housing Element as outlined in Task 2. The Administrative Draft shall include all required tables, maps, and graphics for review by CITY. Once staff has reviewed and commented on the draft, CONSULTANT shall review the changes and modify the Administrative Draft as directed.
- b) Public Review Draft of Housing Element. CONSULTANT shall prepare a Public Review Draft of the Housing Element based on the comments received by CITY staff as part of the review of the Administrative Draft. CONSULTANT shall submit three (3) hardcopy versions of the Public Review Housing Element and one (1) electronic copy of the public review version on a CD in MS Word format and as a PDF.
- c) HCD Submittal of Public Review Draft of Housing Element. CONSULTANT shall prepare a transmittal letter to HCD detailing how the Housing Element meets state's requirements and submit the transmittal letter and Public Review version of the Housing Element to HCD for review and comment. The transmittal letter shall be reviewed and revised by CITY prior to submittal to HCD. One (1) electronic copy in MS Word format shall be submitted to CITY for review. The consultant shall review and incorporate CITY's comments on the transmittal letter as directed.

Task 4: Compliance with the California Environmental Quality Act

CONSULTANT shall be responsible for the preparation and processing of all required environmental documentation for the 2013 – 2021 Housing Element, in compliance with the California Environmental Quality Act (CEQA). Based on the current Housing Element for the planning period of 2008 – 2014, CITY anticipates the preparation of a Negative Declaration (“Neg Dec”) or Mitigated Negative Declaration (“MND”) for the Housing Element update. The final determination for the appropriate environmental documentation shall be made by CITY based on the recommendation of CONSULTANT, the details of the Housing Element policy program, and the technical analysis of project impact through the preparation of an Initial Study by CONSULTANT.

The preparation of the required environmental documentation shall include the following:

- ✓ Data gathering, technical analysis and technical studies (e.g., initial study and appendices/attachments);
- ✓ Coordination with public agencies;
- ✓ Preparation of public notices; and,
- ✓ Preparation of a Administrative Draft, Public Review Draft, and Final Environmental Document that includes responses to comments and the Mitigation Monitoring Program, as needed;

Copies of the Administrative Draft, Public Review Draft, and Final Environmental Document shall be provided to CITY electronically, in MS Word format and as a PDF. CITY will be responsible for mailing and publishing notices prepared by the consultant. CITY will prepare all required notices (e.g., Notice of Intent and Notice of Determination). In addition, CITY will be responsible for the filing of environmental documents with the Los Angeles County Clerk/Registrar-Recorders Office and the State Clearinghouse. The environmental review process shall run concurrently with the Housing Element update such that CITY will consider approval of the environmental document concurrently with Housing Element adoption.

Task 5: Community Workshops and Public Hearings

- a) Community Workshop. CONSULTANT shall facilitate a minimum of three (1) public study session with the CITY's Planning and Preservation Commission to discuss the Public Review Draft Housing Element with key stakeholders and members of the community. CONSULTANT shall work with CITY to identify stakeholders and work with CITY in the preparation of a mailing list and notice announcing the release of the Public Review Draft Housing Element and public study session. CITY will be making the draft document available online, at the local Los Angeles County library, City Hall, and three CITY recreation centers. CONSULTANT shall attend the public study session and provide a presentation to stakeholders and community members in attendance. CONSULTANT shall also prepare the presentation and other related handouts and information material for distribution to the public at the study session. CITY will be responsible for the distribution of the study session notice to stakeholders and community members using the mailing list jointly prepared by CITY and CONSULTANT.
- b) Public Hearing Preparation. Following the study session and public review period, CONSULTANT shall prepare summary notes or minutes of the workshop and a summary of all other comments received during the public review period. Considering input received at the workshop and any other input received during the public comment period, and in consultation with CITY, CONSULTANT will prepare a comprehensive list of all changes to the Public Review Draft that will be reviewed by CITY's Planning and Preservation Commission and the City Council.
- c) Public Hearings. CONSULTANT shall be responsible for attending a minimum of one (1) Planning and Preservation Commission Public Hearing and one (1) City Council Public Hearing. CONSULTANT shall prepare and provide presentations to the Planning and Preservation Commission and City Council regarding the Housing Element at the Public Hearings. This includes preparing the presentation and other materials and exhibits, and providing support to CITY as needed. CITY shall be responsible for the preparation and publication of the public hearing notice and the preparation of the staff report for the project. CITY may request the review of the staff report by CONSULTANT to ensure that the information contained in the report is accurate.

Task 6: HCD Liaison

CONSULTANT shall serve as the CITY's representative and liaison to HCD during the review of the Housing Element. The consultant will be HCD's primary contact and shall communicate with HCD staff as needed to answer questions about the document and resolve any issues that arise during the review process. CONSULTANT shall be responsible for the following:

- ✓ Pre-submittal consultation with HCD staff, as deemed necessary by CITY, depending on any issues that arise during preparation of the Public Review Draft Housing Element;
- ✓ Submittal of Public Review Draft Housing Element to HCD as detailed in Task 3(c);
- ✓ Completion and submittal of Implementation Review worksheet, Completeness Checklist, and any other form or application needed for the HCD Streamlined Update process, if CITY qualifies for streamlined review;
- ✓ Submittal of additional information or data requested by HCD;
- ✓ Meetings and/or conference calls with HCD staff and CITY to discuss comments;
- ✓ Preparation of written response to HCD comments, as needed;
- ✓ Preparation of changes to the Public Review Draft Housing Element required for HCD certification;
- ✓ Consultation with HCD staff regarding changes requested by the Planning and Preservation Commission and City Council; and,
- ✓ Submission of Final Housing Element to HCD for review and certification of compliance with State housing element law.

Task 7: Final Housing Element and Certification

- a) Final Housing Element. CONSULTANT shall prepare a Final Housing Element that will incorporate the changes to the Public Review Draft that will be presented to the Planning and Preservation Commission and City Council, and any additional changes required by CITY and HCD. CONSULTANT shall provide a total of three (3) hardcopy versions of the Final Housing Element and one (1) electronic copy on a CD in MS Word format and as a PDF.
- b) State Certification. CONSULTANT shall submit the Final Housing Element to HCD for certification of compliance with State housing element law. CONSULTANT shall continue to communicate with HCD as detailed in Task 6 until the document is certified. After certification by HCD, CONSULTANT shall provide twenty (20) hardcopy versions of the state-certified Housing Element to CITY along with one (1) electronic copy on a CD in MS Word format and as a PDF.

Task 8: Additional Services.

- a. Density Bonus Ordinance. CONSULTANT shall prepare a comprehensive density bonus ordinance in compliance with state law and as required by HCD for housing element certification. The preparation of the density bonus shall occur in concurrence with the preparation of the housing element update. In addition, CONSULTANT shall prepare all required environmental documentation pursuant to CEQA. Drafts of the density bonus ordinance and associated environmental documents shall be submitted to CITY for review

and comment prior to consideration by CITY's Planning and Preservation Commission and City Council. CONSULTANT shall incorporate all necessary revisions requested by CITY to the density bonus ordinance.

- b. Native American Heritage Commission. CONSULTANT shall provide consultant services to CITY with the Native American Heritage Commission (NAHC), as required by state law for the preparation of the housing element update. CONSULTANT shall work with CITY to prepare responses to comments to the NAHC, as necessary.
- c. Reasonable Accommodation Ordinance. CONSULTANT shall prepare a reasonable accommodation ordinance in compliance with state law and as required by HCD for housing element certification. In addition, CONSULTANT shall prepare all required environmental documentation pursuant to CEQA. Drafts of the reasonable accommodation ordinance associated environmental documents shall be submitted to CITY for review and comment prior to consideration by CITY's Planning and Preservation Commission and City Council. CONSULTANT shall incorporate all necessary revisions requested by CITY to the reasonable accommodation ordinance.
- d. Greenhouse Gas Emissions Analysis. CONSULTANT shall incorporate a Greenhouse Gas (GHG) analysis in the required environmental document for the housing element update, in addition to the scope of work provided in Task 4 of this Exhibit A.

EXHIBIT B
PROJECT SCHEDULE

Anticipated Commencement Date: February 20, 2013

Anticipated Project Completion Date: May 1, 2014

Tasks	Timeline
Project Initiation/Kickoff Meeting	March 2013
SB 18 Consultation Kickoff	March 2013
Housing Element Update	March - June 2013
Density Bonus and Reasonable Accommodation Ordinances	March - April 2013
Public Participation Program	April - May 2013
HCD Streamlined Review (1 st round)	June - July 2013
HE revisions to address HCD comments	August 2013
HCD Streamlined Review (2 nd round)	August - September 2013
Adoption Hearings	September - October 2013

EXHIBIT C

APPROVED FEE SCHEDULE

Budget

The not-to-exceed labor costs for those tasks outlined in the scope of service (Exhibit A) will be a not-to-exceed amount of Thirty Eight Thousand Four Hundred and Ninety Five Dollars (\$38,495.00). As outlined in the attached Exhibit C – Professional Fees.

<u>Schedule of Fees</u>	Veronica Tam and Associates	
	Hours	Cost
Task 1 Housing Element Review and Assessment	24	\$2,470
Task 2 Preparation of Housing Element	134	\$12,990
Task 3 Prepare and Finalize Housing Element	28	\$3,030
Task 4 Compliance with CEQA	36	\$3,640
Task 5 Community Workshops and Public Hearings	20	\$2,400
Task 6 HCD Liaison	40	\$4,700
Task 7 Final Housing Element and Certification	4	\$440
Other Costs		
Printing		\$1,250
Direct Costs (Reimbursable)		-----
Project Management		-----
Total <i>(Per City RPF issued 12/3/2012)</i>	286	\$30,920
Additional Items <i>(Per Addendum No. 1)</i>		
HCD Streamline Review	Included in SOW	
Density Bonus Ordinance		\$1,470
SB 18 (Tribal Consultation)		\$800
AB 162 Language In HE		\$0
Reasonable Accommodation Ordinance		\$735
CEQA for Zoning Amendments		\$3,070

<u>Schedule of Fees</u>	Veronica Tam and Associates	
	Hours	Cost
GHG Emissions Analysis		\$1,200
Indirect Costs		-----
Misc (Postage/Mileage)		\$300
Grand Total <i>(Including Items Per Addendum No. 1)</i>		\$38,495



City of San Fernando Housing Element Update



Veronica Tam and Associates LLC
107 S. Fair Oaks Avenue, Suite 212
Pasadena, CA 91105
(626) 304-0440



January 28, 2012

Fred Ramirez, City Planner
City of San Fernando
Community Development Department
117 Macneil Street
San Fernando, CA 91340

Subject: Revised Proposal for the City of San Fernando Housing Element Update

Dear Mr. Ramirez:

Veronica Tam and Associates (VTA) is pleased to submit this revised proposal to prepare the City of San Fernando Housing Element for the 2013-2021 cycle. The revised proposal addresses the optional tasks outlined in the City's RFP Addendum #1 dated January 23, 2013.

We have substantial experience working on Housing Elements, having previously been involved in more than 100 Housing Element updates throughout the State during the past two update cycles. For the fourth round (2008-2014) of Housing Element update in the Southern California Association of Governments (SCAG) region, we completed updates for the cities of Arcadia, Chino, Corona, Costa Mesa, Hesperia, Irvine, Long Beach, La Canada Flintridge, and Upland, and the County of Los Angeles, among others. For the fifth Housing Element update cycle pursuant to SB 375, we have already received HCD approval for the following Housing Element updates: Coronado, Escondido, Imperial Beach, and La Mesa. The Draft Housing Element for La Mesa is now posted on HCD website as a model Housing Element

Given our substantial Housing Element experience, we have an understanding of the State Department of Housing and Community Development's (HCD) current policy focus, review criteria, and interpretation of recent changes to State law. We are able to advise our clients of specific comments to anticipate from HCD and to strategize a response that would be appropriate to the community. We work closely with HCD staff to resolve difficult issues and to coordinate the review schedule and maintain an excellent track record of achieving certification status on the Housing Elements we prepared.

We believe we are well-qualified to assist the City of San Fernando in updating the Housing Element. We look forward to discussing our proposal with the City. Please call me if you have questions or need additional information.

Respectfully,

Veronica Tam, AICP
Principal



City of San Fernando Housing Element Update

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Appendix: Resumes





Consultant Information

Veronica Tam and Associates is pleased to provide this proposal to assist the City of San Fernando with its 2013-2021 Housing Element update.

Veronica Tam and Associates (VTA) is a California corporation located in Pasadena, California. VTA was established in November 2005 and has since been providing housing and community development consulting to local jurisdictions throughout California. We provide assistance in the following areas:

- Housing Element updates
- Zoning revisions for housing-related issues
- Environmental clearance for housing-related plans and projects
- Consolidated Plan and related reports
- Grants administration and technical assistance
- Special housing studies

The person authorized to negotiate contract conditions for the company is:

Veronica Tam, AICP, Principal
Veronica Tam and Associates
107 S. Fair Oaks Avenue, Suite 212
Pasadena, CA 91105
P: (626) 304-0440
F: (626) 304-0005
Veronica.Tam@vtaplanning.com

Subcontractor List

Optional Task: Modeling of Greenhouse Gas Emissions

The City may wish to add modeling of Greenhouse Gas Emissions to the Initial Study for the Housing Element. As an optional task, we have included Rincon Consultants, Inc. to prepare a technical memo on GHG emissions associated with the 217 RHNA units.

Joe Power, Principal
180 North Ashwood Avenue
Ventura, CA 93003
(805) 644-4455



Executive Summary

Housing Qualifications

VTA is a consulting firm with the primary focus of providing housing services to local jurisdictions. Our services include:

- Housing Element
- Zoning Code revisions to comply with housing laws
- Consolidated Plan and related reports
- Analysis of Impediments to Fair Housing Choice
- Housing and community development grants administration
- Environmental clearance for housing-related projects
- Community outreach and education
- Inclusionary and affordable housing policies
- Special housing studies

Our clients have included rural towns/communities, suburban and urban cities, metropolitan areas, and counties.

Housing Elements

- | | | |
|----------------|------------------------|--------------------|
| ▪ Alhambra | ▪ Hawthorne | ▪ Redondo Beach |
| ▪ Arcadia | ▪ Hayward | ▪ Rocklin |
| ▪ Bell Gardens | ▪ Hesperia | ▪ San Diego County |
| ▪ Buena Park | ▪ Irvine | ▪ San Ramon |
| ▪ Carlsbad | ▪ La Canada Flintridge | ▪ Santee |
| ▪ Chino | ▪ La Mesa | ▪ Seaside |
| ▪ Corona | ▪ Lawndale | ▪ Simi Valley |
| ▪ Costa Mesa | ▪ Lomita | ▪ South Gate |
| ▪ Dublin | ▪ Long Beach | ▪ Tracy |
| ▪ El Cajon | ▪ Los Angeles County | ▪ Upland |
| ▪ Escondido | ▪ Modesto | ▪ Vista |
| ▪ Garden Grove | ▪ Monterey County | ▪ Walnut |
| ▪ Glendora | ▪ Port Hueneme | ▪ West Hollywood |

Consolidated Plans

- | | | |
|----------------------------|--------------------|---------------------|
| ▪ Alhambra | ▪ Huntington Beach | ▪ Orange County |
| ▪ Apple Valley/Victorville | ▪ Lake Forest | ▪ Sacramento City |
| ▪ Buena Park | ▪ La Mesa | ▪ Sacramento County |
| ▪ El Cajon | ▪ Long Beach | ▪ San Bernardino |
| ▪ Garden Grove | ▪ Monterey County | ▪ Simi Valley |
| ▪ Glendora | ▪ National City | ▪ Ventura County |



Housing Ordinances

- Carlsbad Zoning Code - Technical Assistance
- Hayward Zoning Code - Technical Assistance
- Lomita Density Bonus Ordinance
- Marina Inclusionary Housing and Affordable Housing Ordinances
- Port Hueneme Zoning Code Amendments
- South Gate Zoning Code - Technical Assistance

Analysis of Impediments to Fair Housing Choice

- | | | |
|----------------------------|------------------|--------------------|
| ▪ Alhambra | ▪ Los Angeles | ▪ San Diego County |
| ▪ Apple Valley/Victorville | ▪ Long Beach | ▪ Simi Valley |
| ▪ Chino | ▪ San Bernardino | ▪ Ventura County |

Grants Administration Assistance

- | | |
|-------------|--------------------|
| ▪ Alhambra | ▪ Glendora |
| ▪ Camarillo | ▪ Huntington Beach |

Our strengths are:

- Excellent reputation in the area of housing policy planning in terms of the quality of our products and our client-oriented attitude. We are often praised by our clients for our prompt and knowledgeable responses.
- Excellent relationship with HCD staff. We collaborate closely with HCD in designing innovative approaches to address specific issues.
- Breadth of experience in our housing services. In addition to Housing Elements, we also have experience in preparing other state and federal housing reports, such as Housing Element annual HCD reports, Consolidated Plans, Fair Housing studies, grants applications, and environmental clearance. We also provide grants administration services and are familiar with the regulations governing various housing funds.
- Diversity of our staff. We have seasoned housing planners with experience in both the private and public sectors. We also have a licensed realtor on staff.



Key Personnel

Veronica Tam and Rick Brady will lead preparation of the San Fernando Housing Element. Ms. Tam and Mr. Brady have more than 30 years combined housing planning experience, including more than 140 Housing Elements.

Ms. Tam, AICP, will be the Principal-in-Charge of the San Fernando Housing Element and will oversee preparation of the Draft Housing Element, the Public Participation Program, and HCD Review. Veronica Tam has expertise in the areas of housing policy development and community development planning. Prior to forming her own business, she had 15 years of experience with a private consulting firm, Cotton/Bridges/Associates (CBA), preparing a range of housing and community development plans and studies. As Principal and Director of Housing Services for CBA, Ms. Tam oversaw most housing-related works in the company. Specifically, she has prepared more than 100 Housing Elements for communities throughout California. Most recently, she completed the Housing Element for the cities of La Mesa, Coronado, Escondido, and Imperial Beach for the fifth update cycle pursuant to SB 375.

Mr. Brady, AICP, will serve as the Project Manager for the San Fernando Housing Element Update. He will also prepare the CEQA documentation. During his employment at CBA, Mr. Brady worked with Veronica Tam extensively in completing a variety of housing studies, including Housing Elements, fair housing studies, and Consolidated Plans. Other duties at CBA included CEQA compliance for numerous municipal programs and private development projects. As part of his public sector experience with the City of Santee, he also drafted housing-related ordinances and associated CEQA documentation to address residential care facilities, transitional housing, second units, and density bonus incentives. Most recently, Mr. Brady has worked with Veronica Tam on a number of Housing Elements, including for the cities of Lawndale, Lomita, Hayward, El Cajon, Coronado, Imperial Beach, and the County of Monterey. He is currently working on the Santee 2013-2020 Housing Element update.

Additional staff will be assigned to support various aspects of the San Fernando Housing Element Update, including Jessica Suimanjaya and Andrew Pasillas.

Ms. Suimanjaya, AICP, joined Veronica Tam and Associates in April 2008. Her prior experience includes preparing housing needs assessments for the cities of Burbank, Brea, and Agoura Hills while employed at another housing consulting firm. Since joining VTA, she has assisted with the Housing Element update for Corona, La Mesa, Glendora, Hayward, Hesperia, Irvine, Redondo Beach, Simi Valley, and Monterey County. She is currently working on the Rancho Santa Margarita 2013-2021 Housing Element update.

Mr. Pasillas will assist in the preparation of the San Fernando Housing Element, focusing on updating the housing and demographic profiles of the City. Since joining VTA in February 2012, Mr. Pasillas has participated in several housing projects, including the Analysis of Impediments to Fair Housing Choice and Consolidated Plan for the Apple Valley/Victorville Consortium, and Housing Element updates for the cities of El Cajon, Corona, Simi Valley, and Vista. He is currently working on the El Centro 2013-2021 Housing Element update.



Subconsultants

Optional Task: Modeling of Greenhouse Gas Emissions

The City may wish to add modeling of Greenhouse Gas Emissions to the Initial Study for the Housing Element. As an optional task, we have included Rincon Consultants, Inc. to prepare a technical memo on GHG emissions associated with the 217 RHNA units.

Rincon Consultants, Inc. is a multi-disciplinary planning, environmental science, and engineering firm based in Ventura, California. Founded in 1994, Rincon now operates six California offices: Ventura, Riverside, Carlsbad, San Luis Obispo, Monterey, and Oakland. Rincon's seven managing principals have over 140 years of combined professional experience conducting and directing land use and environmental impact studies for a wide variety of public and private sector clients. We apply a hands-on, problem-solving approach intended to streamline the planning, environmental review, and land use permit process.

Rincon employs more than 70 professionals in the following business lines: (1) planning and environmental science; (2) sustainability services; (3) biological resources; (4) water resources; and (5) environmental site assessment and remediation. Rincon is large enough to provide the expertise needed to successfully complete the IS-ND in a timely and efficient manner, yet small enough to provide the flexibility needed to quickly respond to changes in direction or unforeseen issues.

Rincon has performed CEQA environmental reviews on numerous housing and other general plan elements. For the past 12 years we have also conducted all CEQA and NEPA reviews for the County of Los Angeles Community Development Commission's CDBG program, which funds affordable housing projects throughout Los Angeles County. Some of our most relevant housing element experience includes:

- City of Los Angeles Housing Element EIR Addendum (in progress)
- City of Malibu Housing Element EIR (in progress)
- City of Ojai Housing Element EIR
- City of Port Hueneme Housing Element IS-ND
- City of Buellton Housing Element IS-ND
- City of Solvang Housing Element IS-MND
- County of Santa Barbara Housing Element Focused Rezone Program EIR



Scope of Work and Project Approach

Housing Element Process

The Housing Element is required to be review by the State Department of Housing and Community (HCD) for compliance with State law at two stages:

1. **Review of the Draft Housing Element to identify potential concerns:** During this review, HCD will issue a comment letter on the City's Draft Housing Element. Pursuant to the City's RFP Addendum #1, our scope of work assumes the City will pursue HCD's new streamlined review process. In December 2012, HCD released the Final Guideline for Streamlined Review for public comments.¹ Jurisdictions meeting the following may be eligible to take advantage of this process:
 - Housing Element for fourth review cycle is deemed in compliance with State law by HCD; and
 - City has fulfilled commitments of key implementation programs, including: a) rezoning required to meet adequate sites for RHNA; b) zoning revisions to address SB 2 (Housing for the Homeless); c) zoning revisions to address reasonable accommodation procedures; and d) adopted a density bonus ordinance in compliance with State law.

AB 162 Compliance

HCD has confirmed that AB 162 compliance is not required to qualify for streamlined review and **not** required for HCD certification of the 2013-2021 Housing Element. However, based on our most recent Housing Element works in the San Diego region for the 2013-2021 planning period, we will include a short discussion of this requirement to acknowledge that the City understands the requirement to update the Land Use, Conservation, and Safety Elements to address this issue.

Optional Tasks: Zoning Text Amendments

Based on a review of the City's 2008-2014 Housing Element and Municipal Code, and assuming the City's pending zoning amendments to address SB2 requirements satisfy HCD's interpretation of the statute's requirements for emergency shelters, transitional housing, and supportive housing, the following optional tasks must be completed to qualify for streamlined review:

- **Density Bonus Ordinance:** We will prepare a draft density bonus ordinance that complies with Government Code Section 65915.
- **Reasonable Accommodation Ordinance:** Although not identified in the City's RFP Addendum #1, the City must adopt a reasonable accommodation ordinance or establish a formal procedure that complies with Government Code Section 65583(c)(3) to qualify for streamlined review. We will prepare a draft ordinance that follows HCD's model reasonable accommodation ordinance and provide a ministerial process for review and approval of requests to reasonably accommodate persons with disabilities.

Our budget does not include attendance at public hearings for the ordinances.

¹ <http://www.hcd.ca.gov/hpd/HE%20Guidance%20Complete%20package.pdf>



2. **Review of the Final Adopted Housing Element to ensure HCD concerns on the Draft are addressed:** During this review, HCD will verify that its comments on the Draft Housing Element have been adequately addressed. Following our approach (see below), one round of review is typically required, with the final review period being 90 days.

Approach for Achieving HCD Certification

Based on our extensive experience preparing Housing Elements, we recommend revising the Draft Element to respond to HCD comments and securing a Finding of Substantial Compliance on the Draft Element from HCD before proceeding to adoption. This approach would avoid taking a Housing Element to adoption without assurance of “certification” by HCD, requiring an amendment later on to address remaining HCD comments.

Detailed Scope of Work

Task 1: Housing Element Review and Assessment

Task 1.1: Document Review

VTA will review applicable City, regional and State documents pertaining to the Housing Element update. We will identify and work with City staff to resolve any data gaps.

Task 1.2: Evaluation of Current Housing Element

We will review and evaluate the 2008-2014 Housing Element. This evaluation will assist in assessing the need to modify existing programs, introduce new programs, or eliminate obsolete programs for the updated Housing Element. Specifically, VTA will:

- Evaluate the status, effectiveness, and appropriateness of the current housing policy program and identify any barriers to implementation, including the elimination of redevelopment funds;
- Compare identified goals from the adopted Housing Element to actual accomplishments during the plan period;
- Evaluate the existing Housing Element in relation to current State housing laws and identify any omissions or deficiencies;
- Prepare a Housing Element Assessment memo summarizing the results from this analysis and recommend specific changes to be incorporated into the Housing Element revision.

Task 2: Preparation of Housing Element

Task 2.1: Needs Analysis

Consistent with State Housing Element law and HCD’s new Completeness Review Checklist, the Housing Needs Analysis will address the following topics:

- **Population, Demographic, and Employment Trends**
- **Housing Stock Characteristics and Trends**
- **Housing Cost and Affordability**
- **Housing Problems:** Housing conditions, overpayment, and overcrowding.
- **At-Risk Housing Analysis:** This analysis will cover housing units deed-restricted as low income housing as a result of public assistance and density bonus requirements.



- **Special Needs Populations:** Special housing needs of seniors, large households, female-headed households, persons with disabilities (including persons with developmental disabilities), the homeless, farmworkers, and extremely low income households.

Data Sources

Certified by HCD in 2009, the needs assessment for the 2008-2014 Housing Element does not include the latest available demographic, housing, and employment data. VTA will update the 2014-2021 Housing Element with data from the 2010 Census, recent American Community Surveys, the HUD Comprehensive Housing Affordability Strategy (CHAS), Dataquick, and HMDA, among others.

Task 2.2: Housing Resources and Opportunities

According to the Regional Housing Needs Assessment (RHNA) prepared by SCAG, the City of San Fernando has a housing production goal of 217 units: 55 very low income units; 32 low income units; 35 moderate income units; and 95 above moderate income units.

Adequate Sites Analysis

VTA will work with staff to develop an appropriate sites strategy to address the City's new RHNA of 217 units. The 2008-2014 Housing Element includes a sites inventory with the capacity for 640 units, most of which are located within the San Fernando Corridors Specific Plan (SP-4) area. Given the current economic conditions, we assume many of these sites are still available. We will rely on the inventory from the 2008-2014 Housing Element as a starting point and utilize GIS analysis, aerial photos/Google Earth, and field work if additional sites are needed.

Financial and Administrative Resources

VTA will summarize the City's financial and administrative resources available in the delivery of affordable housing programs.

Opportunities for Energy Conservation

Pursuant to the Global Warming Solutions Act (AB 32), the Housing Element will review of opportunities for energy conservation and green building initiatives. The Housing Element will expand this section to demonstrate consistency with the region's Sustainable Communities Strategy (SCS).

Task 2.3: Housing Constraints Analysis

This analysis must contain a review of factors that may potentially constrain the development, improvement, and preservation of housing in the City. Factors to be reviewed include market, governmental, environmental, and infrastructural constraints. Where constraints exist, VTA will identify and recommend housing programs to remove the constraints, where feasible.

Task 2.4: Housing Goals and Policies

Based on the assessment of housing needs, constraints, and resources, as well as past accomplishments, housing goals and policies in the current Housing Element will be revised. The revision should reflect new housing priorities based on limited funding sources and residential land use policies to reflect current development trends.



Task 2.5: Implementation Programs

For each program included in the 2013-2021 Housing Element, we will establish the time frame for implementation, specific objectives, funding sources, and responsible agencies. A summary of quantified objectives by income group will be provided. The policies and programs will satisfy the requirements of State law by:

- Ensuring that housing opportunities are available for all persons in the City;
- Preserving and improving the existing stock of affordable housing;
- Facilitating development of adequate housing to meet RHNA goals and the needs of extremely low, very low, low, and moderate income households;
- Removing any governmental constraints to housing production, improvement and/or maintenance, including barriers to persons with disabilities; and,
- Ensuring consistency with other General Plan elements and community goals.

Task 3: Prepare and Finalize Housing Element

Task 3.1: Administrative Draft of Housing Element

We will prepare an Administrative Draft Housing Element for review by staff. The Administrative Draft will be a complete draft and include all components outlined in Task 2, including required tables, maps, and graphics.

Streamlined Review

As indicated in the City's RFP Addendum #1, the City intends to pursue the Streamlined Review process. We will prepare the Housing Element either in MS Word "Track Changes" mode or utilize some methods of highlighting to focus HCD review (as required by the Streamlined Review Guideline). Note that the Streamlined Review does not relieve the City from preparing a Housing Element that meets all statutory requirements. Therefore, the costs for completing a Draft Housing Element under either Standard Review or Streamlined Review are not substantially different.

Work Product

- Administrative Draft Housing Element (3 hard copies and 1 CD with electronic copies in MS Word and PDF)

Task 3.2: Public Review Draft of Housing Element

VTA will revise the draft to address comments from staff to formulate the Public Review Draft Housing Element, which will be presented before the Planning and Preservation Commission and City Council prior to submitting to HCD for review.

Work Product

- Public Review Draft Housing Element (3 hard copies and 1 CD with electronic copies in MS Word and PDF)

Task 3.3: HCD Submittal of Public Review Draft of Housing Element

VTA will prepare a transmittal letter to HCD detailing how the Housing Element meets the State's requirements. We will also complete and attach HCD's Completeness Review Checklist. We will revise the transmittal letter and Completeness Review Checklist to incorporate staff's comments.



Work Products

- Transmittal Letter to HCD (1 electronic copy)
- HCD Implementation Review Worksheet and Completeness Checklist (one hard copy)
- HCD Review Draft Housing Element (1 bound hard copy for HCD and electronic copy)
- HCD Streamlined Review Template

Task 4: Compliance with the California Environmental Quality Act

Adoption of the Housing Element is considered a “project” under CEQA. Thus, environmental analysis and documentation will be required. We assume a Negative Declaration or Mitigated Negative Declaration (ND/MND) will be the appropriate course of action. This is based on the assumption that Housing Element policy will implement adopted General Plan land use policy and land use plans set forth in other specific or master plans.

Task 4.1: Administrative Draft and Draft Initial Study and (Mitigated) Negative Declaration

We will prepare a preliminary draft Initial Study for City staff review. The Initial Study will be prepared using the standard checklist form contained in the CEQA Guidelines or, or the City’s own checklist. The analysis will make reference to and tier upon the information and conclusions contained in the General Plan and specific/master plan EIRs to the extent possible. Upon receiving staff’s comments, we will prepare a Public Review Draft Initial Study/(Mitigated) Negative Declaration for public circulation and review.

Task 4.2: Final Initial Study and (Mitigated) Negative Declaration

At the conclusion of the required 30-day public review period, we will provide a summary memo to staff to identify appropriate responses to be incorporated into the staff report. Written responses to comments to the Notice of Intent to Adopt a (Mitigated) Negative Declaration are not required by CEQA. However, if the City’s practice is to prepare comprehensive written responses, we can do so as additional services if comments received are extensive. If necessary, a Mitigation Monitoring Program with appropriate mitigation measures will accompany the final (Mitigated) Negative Declaration. This documentation will be brought before the City Council for review and adoption.

City Responsibility

We will be responsible for preparing the Notice of Intent to Adopt a (Mitigated) Negative Declaration and the Notice of Determination. Our budget assumes the City will be responsible for all mailing, noticing, and posting as required by the State Office of Planning and Research and the Los Angeles County Clerk. The City will also be responsible for placing and paying for newspaper ads and for paying all required filing fees.

Work Products

- Administrative Draft Initial Study/(Mitigated) Negative Declaration (electronic copies in MS Word and PDF)
- Initial Study/(Mitigated) Negative Declaration for public circulation (electronic copies in MS Word and PDF)
- Notice of Intent (electronic copies in MS Word and PDF)
- Final (Mitigated) Negative Declaration (electronic copies in MS Word and PDF)
- Mitigation Monitoring Program, as needed (electronic copies in MS Word and PDF)
- Notice of Determination (electronic copies in MS Word and PDF)



Task 5: Community Workshops and Public Hearings

The Housing Element law requires that the City demonstrate outreach efforts in developing the draft Housing Element. HCD interpretation of this requirement is that special efforts are needed to outreach to lower and moderate income households and persons with special needs.

We have substantial experience conducting community outreach for a variety of housing programs. Various forums and outreach methods may be appropriate for the Housing Element update. These include community workshops, neighborhood meetings, presentation before local groups and organizations, information bulletins published at City website, and resident surveys, among others.

Task 5.1: Community Workshops

Per the Request for Proposals, VTA will facilitate a minimum of three (3) community workshops to discuss the Public Review Draft Housing Element with key stakeholders and members of the community. We will work with the City to identify agencies and organizations that should be included in the process. Specifically, the public participation process will need to outreach to groups that represent the interests of lower and moderate income persons and persons with special needs. Housing professionals such as developers, realtors, and lenders will also be included. We will also prepare a mailing list and notice announcing the release of the Public Review Draft Housing Element and the community workshop. Our budget assumes the City will be responsible for distributing the notices. VTA will prepare and deliver a presentation at each of the workshops, including related handouts.

Task 5.2: Public Hearing Preparation

VTA will prepare summary notes for each workshop and summarize all other comments received during the public review period. Based on comments received during the public review period and in consultation with City staff, we will prepare a comprehensive list of all changes to the Public Review Draft.

Task 5.3: Public Hearings

Our budget includes attendance at two (2) Planning and Preservation Commission Public Hearings and two (2) City Council Public Hearings. VTA will prepare and provide presentations at each hearing regarding the Housing Element, including handouts, exhibits, and providing support to City staff as needed. VTA will review and comment on the staff report, upon request.

Work Products

- Workshop Notices (electronic copy)
- Workshop Presentation and Handouts (hard and electronic copies)
- Workshop Notes and Public Review Comment Summary (electronic copy)
- List of Changes to Public Review Draft (electronic copy)
- Public Hearing Presentation and Exhibits (hard and electronic copies)

VTA Alternative Approach

The City's RFP specifies three community workshops and four public hearings for the Housing Element update. However, based on our substantial experience in Housing Element works, this level of community participation, while desirable, may not be the most cost-effective due to the following reasons:

- Housing Element is a policy document that rarely draws adequate attention from the



public to warrant three stand-alone community workshops.

- There have been only limited changes to State Housing Element law since adoption of the current Housing Element.
- With the elimination of redevelopment funds, the City's ability to fund affordable housing programs is seriously compromised.
- The new RHNA is slightly smaller than for the previous Housing Element and we assume no rezoning or upzoning will be required to accommodate this RHNA.
- Given that the 2013-2021 Housing Element must be adopted by October 15, 2013, there is little time to accommodate an extensive community outreach program.

Therefore, we recommend a much condensed approach to the Housing Element update. We utilized the same approach for several of our San Diego clients recently and all of these Housing Elements have received HCD approval. Our proposed outreach program involves the following:

- One (1) Study Session before the Planning and Preservation Commission to review the Draft Housing Element prior to submitting to HCD for review. This meeting will be publicly noticed and we will work with staff to develop a list of agencies to invite to the meeting.
- Two (2) Public Hearings for the adoption of the Housing Element, one before the Planning and Preservation Commission and one before the City Council.

Task 6: HCD Liaison

VTA has developed a strong working relationship with HCD managers and reviewers. We will serve as the City's representative and liaison to HCD during the review of the Housing Element. VTA will be HCD's primary contact and will communicate with HCD staff as needed to answer questions about the document and work with the City to resolve any issues that may arise during the review process. Specifically, we will responsible for the following:

- Pre-submittal consultation with HCD staff, as necessary;
- Submittal of HCD Review Draft Housing Element to HCD per Task 3.3.
- Completion and submittal of Implementation Review Worksheet, Completeness Checklist, and HCD Streamlined Review Template (if applicable);
- Submittal of additional information or data requested by HCD;
- Meetings in Los Angeles County and/or conference calls with HCD staff and city staff to discuss comments;
- Written response to HCD comments, as needed;
- Changes to the HCD Review Draft Housing Element as required for a finding of substantial compliance and/or certification;
- Consultation with HCD staff regarding changes requested by the Planning and Preservation Commission and City Council; and,
- Submission of Final Housing Element to HCD for review and certification.

Task 7: Final Housing Element and Certification

Task 7.1: Final Housing Element

VTA will prepare a final housing element that will incorporate changes to the HCD Review Draft to address HCD comments and additional changes required by City staff.

Work Product

- Final Housing Element (3 hard copies and 1 CD with electronic copies in MS Word and PDF)

Task 7.2: State Certification

After adoption hearings, we submit the Final Housing Element to commence HCD's 90 day review for certification of compliance with State housing element law.

Work Product

- State-Certified Housing Element (20 bound hard copies and 1 CD with electronic copies in MS Word and PDF)

Optional Task: Native American Heritage Commission Consultation

As an optional task, we will facilitate consultation with the Native American Heritage Commission (NAHC), pursuant to the City's RFP Addendum #1. VTA will:

- Commence the consultation process immediately following the kick off meeting (i.e., the earliest point possible in the planning process, pursuant to SB 18, by completing the form developed by NAHC for local governments to use when requesting tribal contacts.
- Draft a letter to each of the tribes identified by the NAHC to notify them of the Housing Element update process (per Government Code Section 65352.3). Tribes have 90 days from receipt of the notice to request consultation.
- Contact tribes that request consultation and facilitate the meaningful and timely process of seeking, discussing, and considering carefully the views of others, in a manner that is cognizant of all parties' cultural values and, where feasible, seeking agreement (per Government Code Section 65352.4). Consultation may involve meetings and phone calls with tribal representatives and the opportunity to review and comment on the draft Housing Element. VTA will summarize tribal comments and work with the City to develop written responses. Our scope assumes no more than three (3) meetings in Los Angeles County.
- Ensure that the NAHC and appropriate tribes are properly notified of all public workshops and hearings (per Government Code Sections 65351, 65352(a), and 65092).

At this time, it is not feasible to predict if any tribes would respond to the consultation and the extent of the response. Therefore, our budget includes an allowance that would accommodate phone calls or meetings with tribal representatives. This portion of our budget will be billed on a time-and-materials basis.



Schedule/Timeline

State law (SB 375) ties the Housing Element update schedule to 18 months upon the adoption of the Regional Transportation Plan (RTP), requiring the Housing Element be adopted by October 2013. If the adopted Housing Element is not adopted within 120 days of the statutory deadline (i.e., by February 2014), the City will be subject to the four-year Housing Element requirement as opposed to an eight-year requirement. To meet the deadline, we propose the following timeline for the San Fernando Housing Element update:

Tasks	Timeline
Project Initiation/Kickoff Meeting	March 2013
SB 18 Consultation Kickoff	March 2013
Housing Element Update	March - June 2013
Density Bonus and Reasonable Accommodation Ordinances	March - April 2013
Public Participation Program	April - May 2013
HCD Streamlined Review (1 st round)	June - July 2013
HE revisions to address HCD comments	August 2013
HCD Streamlined Review (2 nd round)	August - September 2013
Adoption Hearings	September - October 2013

Schedule of Fees

The budget on the following page represents our best estimates for the cost to complete the scope of work outlined earlier:

- Scope of Work pursuant to City RFP: \$36,700
- Scope of Work with optional tasks pursuant to City RFP Addendum #1: \$43,815
- Scope of Work with optional tasks pursuant to City RFP Addendum #1 and VTA recommended reasonable accommodation task and outreach approach: \$40,035

Our fixed-fee budget is fully-burdened and includes administrative and miscellaneous expenses. The following assumptions apply:

- GIS data is available to conduct sites inventory analysis.
- City's pending SB2 zoning amendments are consistent with HCD interpretation of requirements for emergency shelters, transitional housing, and supportive housing.
- City will provide environmental documentation for the most recent comprehensive General Plan Update, 2008-2014 Housing Element, and recent specific or master plans.
- An ND/MND will be sufficient for environmental clearance for the Housing Element.
- City will prepare environmental documents for optional density bonus and reasonable accommodation ordinances.
- City will file all environmental documents with the Clerk/Registrar and State Clearinghouse.
- City will mail and publish all notices.



Proposed Budget for the City of San Fernando 2013-2021 Housing Element Update

	Tam	Brady	Suimanjaya/ Pasillas	
	\$ 135	\$ 100	\$ 85	Total
1. Housing Element Review and Assessment				
1.1 Document Review	1	6		\$ 735
1.2 Evaluate 2008-2014 HE	1	16		\$ 1,735
2. Draft Housing Element				
2.1 Needs Analysis	1	8	40	\$ 4,335
2.2 Resources and Opportunities	2	40	6	\$ 4,780
2.3 Constraints	2	32		\$ 3,470
2.4 Policies, Programs and Objectives	1	4		\$ 535
2.5 Implementation Program	2	12		\$ 1,470
3. Prepare and Finalize HE				
3.1 Admin Draft HE	8		4	\$ 1,420
3.2 Public Review Draft HE	2	10		\$ 1,270
3.3 HCD Review Draft HE			4	\$ 340
4. CEQA Compliance for HE				
4.1 Admin/Draft IS/ND	1	32	2	\$ 3,505
4.2 Final IS/ND	1	4		\$ 535
5. Public Participation				
5.1 Community Workshops (3)	18		6	\$ 2,940
5.2 Public Hearing Preparation	8			\$ 1,080
5.3 Public Hearings (4)	16			\$ 2,160
6. HCD Liaison	20	20		\$ 4,700
7. Final HE and Certification	2		2	\$ 440
Printing				
Administrative Draft HE (3 copies)				\$ 75
Public Review Draft HE (3 copies)				\$ 75
HCD Review Draft HE (1 copy)				\$ 25
Final HE (3 copies)				\$ 75
HCD Certified HE (20 copies)				\$ 500
Miscellaneous (Postage, Mileage)				\$ 500
Total Project without Optional Tasks	86	184	64	\$ 36,700
Optional Tasks				
1. GHG Emissions Modeling				\$ 1,200
2. Zoning Text Amendments				
Density Bonus Ordinance	4	16		\$ 2,140
Reasonable Accommodation Ordinance or Procedure	1	8		\$ 935
3. Streamlined Review		No additional Costs		
4. Native American Heritage Commission	4	20		\$ 2,540
Miscellaneous (Postage, Mileage)				\$ 300
Subtotal Optional Tasks:	9	44		7,115
Total Project with Optional Tasks	95	228	64	43,815
VTA Alternative Outreach Approach				
Planning & Preservation Study Session (1)	6		6	\$ 1,320
Public Hearings (2)	8			\$ 1,080
Total with Optional Tasks and VTA Outreach	67	228	64	40,035



Sample of Previous Work

City of La Mesa Housing Element (2013-2020) - On HCD Website

The La Mesa Housing Element was the first in the San Diego region to receive “certification” for the fifth Housing Element update cycle. The Draft La Mesa Housing Element received certification status from HCD with only one round of review. The Element is now posted on HCD website as a model Housing Element and a hard copy is included in the Appendix:

http://www.hcd.ca.gov/hpd/housing_element2/documents/la_mesa_draft020212.pdf

City of Escondido Housing Element (2013-2020) - Separately Bound

The Escondido Housing Element was adopted on December 12, 2012. This Housing Element was prepared as part of the City’s comprehensive update to the General Plan. However, because portions of the Land Use Element required voters’ approval, the Housing Element utilizes sites authorized under the previous General Plan.

References

Housing Elements for Fifth Update Cycle per SB 375

1. City of La Mesa - 2013-2020 Housing Element (HCD certified)

The City of La Mesa is largely built out. Future residential development is expected to focus in the Mixed Use Overlay areas. The Housing Element update demonstrates the City’s recent land use strategies and ability to meet the RHNA in targeted sites. The La Mesa Housing Element was the first in the San Diego region to receive “certification” for the fifth Housing Element update cycle. The Draft La Mesa Housing Element received certification status from HCD with only one round of review. The Element is now posted on the HCD website as a model Housing Element:

http://www.hcd.ca.gov/hpd/housing_element2/documents/la_mesa_draft020212.pdf

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2. City of Escondido - 2013-2020 Housing Element (HCD certified)

The City of Escondido is a community of 144,000 located in the north central portion of San Diego County. The City prepared the 2013-2020 Housing Element as part of its comprehensive update to the General Plan. With a significant RHNA of 4,175 units, the City must balance its obligation to accommodate this growth, the need to promote jobs-housing balance and sustainable development, and the community’s desire to manage growth. The City is especially constrained by Proposition S which requires voters’ approval of increasing residential densities, changing or increasing the residential land use categories, or changing any residential property to commercial or industrial designation. To work with Proposition S, the Housing Element devises a sites strategy to utilize only sites with existing residential or mixed use designations to meet the RHNA. The City received a Finding of Substantial Compliance from HCD on its Draft Housing Element.



<http://www.escondido.org/Data/Sites/1/media/pdfs/Housing/DraftHousingElement.pdf>

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3. City of Imperial Beach - 2013-2020 Housing Element (HCD certified)

The City of Imperial Beach is a largely built out community, with much of its future residential growth relying on the mixed use corridor recently adopted by the City. As a small community and without redevelopment as a tool, the City has limited ability to facilitate affordable housing. The Housing Element acknowledges the City's obligation under the State Housing Element law, but also recognizes the limited resources available to the City. Programs in the 2013-2020 Housing Element focuses on incentives offered by the new Mixed Use zoning, but significantly scale back commitments to facilitate new construction or rehabilitation of housing.

http://www.cityofib.com/vertical/sites/%7B6283CA4C-E2BD-4DFA-A7F7-8D4ECD543E0F%7D/uploads/071912_Draft_IB_Housing_Element_2013-2020.pdf

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4. City of Coronado - 2013-2020 Housing Element (HCD certified)

The City of Coronado is one of the most exclusive communities in California. It is a balancing act to meet the Housing Element requirements, while acknowledging the community's desire to maintain its character. Furthermore, with the loss of redevelopment funds, the City has limited ability to develop new affordable housing. The Housing Element focuses on the City's need to maintain and preserve its current affordable housing inventory with limited resources.

http://www.coronado.ca.us/egov/documents/1346860013_597686.pdf

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5. City of Avalon - Innovative "Dual-Track" Housing Element for 2008-2014 and 2014-2021 Planning Cycles (HCD certified)

The City of Avalon is in the process of updating its General Plan. Due to the schedule of the General Plan update, the City has delayed in also preparing its 2008-2014 Housing Element. VTA was retained by the City of Avalon to prepare the 2008-2014 Housing Element as part of the General Plan consultant team. In assessing the timing of this update and the City's budgetary constraints, VTA proposed an innovative approach to prepare a "dual-track" Housing Element that meets the requirements of two planning cycles - 2008-2014 and 2014-2021. VTA worked with HCD to design the structure for this Housing Element and HCD has since recommended the same approach to other communities in similar situations.



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Other Recent Housing Elements

6. City of Tracy Housing Element - 2009-2013 (HCD certified)

During the peak of the housing market, the City experienced significant growth as a result of large-scale housing construction in response to a growing San Joaquin Valley region and the eastward movement of Bay Area and Silicon Valley workers in search of affordable housing. In the meantime, the demand for housing in Tracy continued to rise, increasing local housing prices. A segment of the Tracy population could no longer afford to move into smaller homes as they age, purchase their first home, or trade up for a larger home that accommodates changing household needs. Paradoxically, residents responding to the fast growth and related issues such as traffic congestion and air pollution pushed for the passage of Measure A, which limits the City's ability to issue building permits. The Housing Element involved an extensive outreach program to educate the community regarding the need for affordable housing, the impact of growth management measures, and the pros and cons of inclusionary housing policy. The Housing Element included proactive measures to address the community's housing needs and to mitigate the impact of Measure A.

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7. City of La Canada Flintridge Housing Element - 2008-2014 (HCD certified)

VTa was retained by ICF Jones and Stokes, lead General Plan consultant for the City of La Canada Flintridge, to take over the Housing Element preparation from another consultant. Housing prices in this foothill community in Los Angeles County are among the highest in the region. The City is highly constrained by its topography, sewage capacity, and lack of funding for affordable housing development. As an older, exclusive community, public support for affordable housing is also limited. We worked closely with City staff, General Plan consultant, and the City Council to prepare a Housing Element that would give the City the best chance of receiving certification. To date, we received verbal confirmation from HCD that the La Canada Flintridge Draft Housing Element is in substantial compliance with State law when adopted as revised.

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8. City of Long Beach Housing Element - 2008-2014 (HCD certified)

The City of Long Beach is a large and diverse community with a myriad of housing issues. Housing is a contentious issue locally, with various groups competing for limited resources and debating over the appropriate locations/over-concentration of affordable housing. As such, an extensive community outreach program, which included a survey, neighborhood meetings, community meetings, stakeholder interviews, and public meetings, was conducted as part of the Housing Element update. The update process was also under the scrutiny of



the Legal Aid Foundation of Los Angeles, representing Housing Long Beach, a community group. The Long Beach Housing Element met these challenges and was prepared with close collaboration with HCD staff in order to expedite the review process.

Pat Garrow, Senior Planner
333 West Ocean Blvd., Long Beach, CA 90802
(562) 570-6005
Pat.Garrow@longbeach.gov

9. County of Los Angeles Housing Element - 2008-2014 (HCD certified and 2010 APACA Award of Merit)

The County of Los Angeles was assigned a RHNA of 57,176 units that must be accommodated in the unincorporated areas. Given the unique characteristics of the unincorporated areas, with the majority of residential growth potential being in suburban and semi-rural communities, the County faces significant challenges in meeting the RHNA. Furthermore, with limited financial resources and urban development potential confining within unincorporated urban islands, the County must explore various strategies in providing for affordable housing. To solicit input on needs and potential strategies, the Housing Element update process included an extensive community outreach program, including focus group meetings with the development community, special needs advocacy groups, housing advocates, residents, County departments, and community planning groups.

The Los Angeles County Housing Element received an Award of Merit from the California Chapter of the American Planning Association for Focused Issue Planning.

Connie Chung, AICP, Supervising Regional Planner
320 West Temple Street, Los Angeles, CA 90012
(213) 974-6425
cchung@planning.lacounty.gov

10. City of Costa Mesa Housing Element - 2008-2014 (HCD certified)

The City of Costa Mesa is a highly urbanized community located in south Orange County. Costa Mesa's desirable location within Orange County has resulted in some of the highest home prices and rents in County. As an older community in Orange County, the City is polarized by groups that advocate affordable housing for lower income renters and groups that desire the preservation of existing neighborhoods and promotion of ownership housing. As part of the Housing Element update, an extensive community outreach program was implemented. In addition to a housing needs survey, community workshops, and study sessions, presentations were also made to neighborhood groups and HOAs and Housing Element "open houses" were also conducted. The Costa Mesa Housing Element received certification from HCD after much negotiation with the State on adequate sites issues. The City fulfilled its RHNA using a variety of strategies, including extension of affordability covenants, conversion of motel rooms, and rezoning of a State-owned property.

Hilda Veturis, Management Analyst
77 Fair Drive, Costa Mesa, CA 92626
(714) 754-5608
hveturis@ci.costa-mesa.ca.us



11. City of Carlsbad Housing Element - 2005-2012 (HCD certified)

The City of Carlsbad faced significant challenges in updating its Housing Element. While the City has a very effective inclusionary housing program, the City also has adopted a growth management program that limits the densities and caps number of units that can be constructed. The Housing Element provides extensive analyses and discussions to illustrate the City's ability to accommodate its RHNA within given these constraints. The City also has few remaining vacant properties. The Housing Element utilizes a number of approaches to accommodating the required capacity, including rezoning/upzoning, redevelopment of older shopping centers, and infill developments in the downtown area. Extensive community outreach was conducted as part of the Housing Element.

Scott Donnell, Senior Planner
1635 Faraday Avenue, Carlsbad, CA 92008
(760) 602-4618
scott.donnell@carlsbadca.gov

Additional Information

Insurance

Veronica Tam and Associates maintains the following insurance coverage:

- General Liability: \$1,000,000 per claim; \$2,000,000 aggregate
- Automobile Liability: \$1,000,000
- Workers' Compensation: \$1,000,000
- Professional Liability: \$1,000,000 per claim; \$2,000,000 aggregate

Conflict of Interest

Veronica Tam and Associates does not currently have or foresee any potential conflict of interest against the City of San Fernando.



Appendix

Resumes



VERONICA TAM, AICP
PRINCIPAL

EDUCATION

MA, Urban Planning, University of California, Los Angeles

BES, Urban and Regional Planning (Economics Minor), University of Waterloo, Canada

PROFESSIONAL AFFILIATIONS

American Institute of Certified Planners

American Planning Association

AWARDS

2009 APACA

Comprehensive Planning, Large Jurisdiction: 2008-2014 Los Angeles County Housing Element

2009 Los Angeles Section, APACA

Comprehensive Planning, Large Jurisdiction: 2008-2014 Los Angeles County Housing Element

2002 Northern Section, APACA

Focused Issues: Contra Costa County Analysis of Impediments to Fair Housing

2001 Northern Section, APACA

Advocacy Planning: East Palo Alto Housing Element

2000 APACA

Outstanding Planning: El Cajon Integrated Housing Element and Consolidated Plan

2000 San Diego Section, APACA

Outstanding Planning: El Cajon Integrated Housing Element and Consolidated Plan

Ms. Tam has expertise in the areas of housing policy development and community development planning. She has over 20 years' experience preparing a range of housing and community development plans and studies for jurisdictions throughout California.

RELATED PROJECT EXPERIENCE

Housing Elements

Arcadia	Hayward	Rocklin
Buena Park	Imperial Beach	San Ramon
Carlsbad	Irvine	Seaside
Corona	La Canada Flintridge	Simi Valley
Coronado	La Mesa	Tracy
Del Mar	Lawndale	Vista
Dublin	Lomita	Walnut
El Cajon	Modesto	West Hollywood
Escondido	Porterville	Los Angeles County
Glendora	Port Hueneme	Monterey County
Hawthorne	Redondo Beach	San Diego County

Consolidated Plans

Apple Valley/Victorville	La Mesa	Simi Valley
El Cajon	Long Beach	Orange County
Glendora	San Bernardino	Ventura County
Huntington Beach	Santee	

Fair Housing Studies

Apple Valley/Victorville	Long Beach	Simi Valley
Chino	Los Angeles	San Diego County
Lake Forest	San Bernardino	Ventura County

Redevelopment Housing Implementation Plans

Costa Mesa	Hawthorne	Port Hueneme
Glendora	Porterville	

Special Studies

- Regional Housing Needs Allocation Assistance for the cities of Arcadia, Lawndale, and Indian Wells
- Marina Affordable Housing Ordinance
- Port Hueneme Zoning revisions for SB2, AB 2634, and SB 520
- San Jose Just Cause for Eviction

Veronica Tam and Associates

107 S. Fair Oaks Avenue, Suite 212, Pasadena, CA 91105
P (626) 304-0440 F (626) 304-0005



RICK BRADY, AICP
SENIOR PLANNER

EDUCATION

MCP, City Planning, San Diego State University

BA, Urban Studies, University of California, San Diego

PROFESSIONAL AFFILIATIONS

American Institute of Certified Planners
American Planning Association

Rick Brady's professional background includes seven years working as an urban, environmental, and homeland security planning consultant and more than one year as a public sector land use and environmental planner. His experience includes the preparation of a variety of housing-related studies, general and community plans, environmental impact reports, baseline environmental studies, and emergency operations plans.

Veronica Tam & Associates

As a Senior Planner, Mr. Brady has assisted in the preparation of Housing Elements for the cities of Arcadia, Dublin, Glendora, Hayward, Irvine, La Cañada-Flintridge, Lawndale, Lomita, Porterville, Redondo Beach, Rocklin, San Ramon, Seaside, Simi Valley, South Gate, Tracy, and Upland, as well as the County of Monterey.

Prior Experience

As a Senior Associate with P&D Consultants, Rick was the project manager for General Plan Housing Elements and HUD Consolidated Plans for the cities of La Mesa and Santee. He served as the lead project planner for housing elements for the cities of Carlsbad, Poway, National City, Vista, San Jacinto, Aliso Viejo and Calipatria and assisted with the preparation of the City of San Diego Consolidated Plan, City of Santa Monica Consolidated Plan, and the San Diego County Regional Analysis of Impediments to Fair Housing Choice. Mr. Brady's community planning experience includes general plans prepared for the cities of Aliso Viejo, Holtville, El Centro, Seaside, Riverside and San Jacinto.

Mr. Brady worked in New Orleans for more than two years as a technical assistance contractor to FEMA. Part of his FEMA experience includes leading the team that inspected and prepared grants for the abatement of public health hazards to more than 7,000 public housing units managed by the Housing Authority of New Orleans. In the summer of 2004, Mr. Brady assisted FEMA in the preparation of site planning and design criteria to provide group housing sites for victims of a potential catastrophic disaster affecting 50,000 or more households.

Veronica Tam and Associates

107 S. Fair Oaks Avenue, Suite 212, Pasadena, CA 91105
P (626) 304-0440 F (626) 304-0005

**EDUCATION**

MA Urban Planning, University of California, Los Angeles

BA Communication Studies,
University of California, Los Angeles

PROFESSIONAL ASSOCIATIONS

American Institute of Certified Planners
American Planning Association, Member

SKILLS

Geographic Information Systems
AutoCAD
Photoshop
Microsoft Office
Windows and MAC

**JESSICA SUIMANJAYA, AICP
PLANNER**

Ms. Suimanjaya is dedicated to working in the field of affordable housing planning. She graduated with a Masters in Urban Planning from the University of California, Los Angeles. Her coursework focused on physical planning, community development and housing. Her undergraduate background was in Communication Studies.

VERONICA TAM & ASSOCIATES

As a planner, Ms. Suimanjaya has contributed to the preparation of the following reports:

Housing Elements

Arcadia	Avalon
Coronado	Del Mar
Encinitas	Escondido
Glendora	Hayward
Hesperia	Irvine
La Mesa	Redondo Beach
Tracy	Upland
Vista	West Hollywood

Redevelopment Housing Implementation Plans

Costa Mesa	Glendora
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Fair Housing Studies

Apple Valley	Los Angeles
Long Beach	Glendale
San Diego County	Pasadena
Victorville	Ventura County

Consolidated Plans and Annual Reports

Alhambra	Camarillo
San Bernardino	Ventura County

PRIOR EXPERIENCE

At KWA, Ms. Suimanjaya assisted in the preparation of housing elements for the cities of Agoura Hills, Brea, Burbank, Calabasas, Huntington Beach, Huntington Park, and San Fernando.

Veronica Tam and Associates

107 S. Fair Oaks Avenue, Suite 212, Pasadena, CA 91105
P (626) 304-0440 F (626) 304-0005



EDUCATION

BA Sociology,
Minor Environmental Systems and Society,
University of California, Los Angeles

SKILLS

Geographic Information Systems
Microsoft Office

ANDREW PASILLAS PLANNER

Mr. Pasillas has an undergraduate background in Sociology with a minor in Environmental Systems and Society.

VERONICA TAM & ASSOCIATES

As a planner, Mr. Pasillas has contributed to the preparation of the following reports:

Housing Elements

Bell Gardens	Corona
Coronado	Del Mar
El Cajon	Vista

Fair Housing Studies

Apple Valley	Los Angeles
Victorville	

Consolidated Plans and Annual Reports

Apple Valley	Long Beach
Victorville	

PRIOR EXPERIENCE

While working as a Research Intern for the Task Force on Homelessness & Mental Health at the City of Fullerton, Mr. Pasillas assisted in the research of best practices as well as participated in multiple public outreach campaigns.

As an intern for the Los Angeles River Project Office at the City of Los Angeles, Mr. Pasillas researched project and funding proposals and mapped the features of the LA River. He also contributed to public outreach efforts.

Veronica Tam and Associates

107 S. Fair Oaks Avenue, Suite 212, Pasadena, CA 91105
P (626) 304-0440 F (626) 304-0005



February 13, 2013

Fred Ramirez, City Planner
City of San Fernando
117 Macneil Street, San Fernando
CA 91340

Subject: Revised Budget for 2013-2021 Housing Element

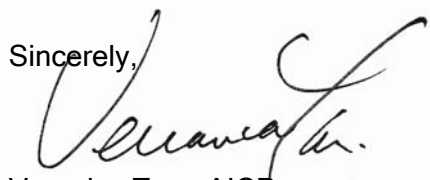
Dear Mr. Ramirez:

Thanks for the opportunity to provide this revised budget for the Housing Element. Based on our discussion today, our revised budget (on the following page) reflects the following assumptions:

1. The City anticipates adequate sites to meet its RHNA. Specifically, the City has approved 113 affordable units that, which are expected to be permitted next calendar year. The City should be able to credit these units toward the fifth cycle RHNA.
2. The budget includes CEQA (Initial Study/Negative Declaration) for the Density Bonus Ordinance and Reasonable Accommodation. Both ordinances are expected to include only basic minimum requirements.
3. VTA proposed outreach approach:
 - One (1) public hearing before the Planning Commission to review the Draft Housing Element prior to submitting the Housing Element for HCD review. We will develop a list of agencies that should be invited to the meeting. Agencies to be invited include those serving low and moderate income households and persons with special need, housing developers, housing professionals, and affordable housing advocates.
 - Two (2) public hearings for the adoption of the Housing Element - one before the Planning Commission and one before the City Council.
4. Native American Heritage Commission consultation - our budget is only an allowance of up to eight (8) hours only, assuming no significant response from the commission or individual tribal members.

We look forward to working with the City. Please let us know if you need additional information.

Sincerely,


Veronica Tam, AICP
Principal

Fred Ramirez
February 13, 2013
Page 2 of 2

Revised Budget

	Tam	Brady	Suimanjaya/ Pasillas	
	\$ 135	\$ 100	\$ 85	Total
1. Housing Element Review and Assessment				
1.1 Document Review	1	6		\$ 735
1.2 Evaluate 2008-2014 HE	1	16		\$ 1,735
2. Draft Housing Element				
2.1 Needs Analysis	1	8	40	\$ 4,335
2.2 Resources and Opportunities	2	24	6	\$ 3,180
2.3 Constraints	2	32		\$ 3,470
2.4 Policies, Programs and Objectives	1	4		\$ 535
2.5 Implementation Program	2	12		\$ 1,470
3. Prepare and Finalize HE				
3.1 Admin Draft HE	8		4	\$ 1,420
3.2 Public Review Draft HE	2	10		\$ 1,270
3.3 HCD Review Draft HE			4	\$ 340
4. CEQA Compliance for HE				
4.1 Admin/Draft IS/ND	1	28	2	\$ 3,105
4.2 Final IS/ND	1	4		\$ 535
6. HCD Liaison	20	20		\$ 4,700
7. Final HE and Certification	2		2	\$ 440
Optional Tasks				
1. GHG Emissions Modeling				\$ 1,200
2. Zoning Text Amendments				
Density Bonus Ordinance	2	12		\$ 1,470
Reasonable Accommodation Ordinance or Procedure	1	6		\$ 735
CEQA for Zoning Text Amendments	2	28		\$ 3,070
3. Streamlined Review		No additional Costs		
4. Native American Heritage Commission		8		\$ 800
Miscellaneous (Postage, Mileage)				\$ 300
Subtotal Optional Tasks:	5	54		7,575
VTA Alternative Outreach Approach				
Planning & Preservation Study Session (1)	6		6	\$ 1,320
Public Hearings (2)	8			\$ 1,080
Total with Optional Tasks and VTA Outreach	63	218	64	38,495



URBAN PLANNING

SUSTAINABLE COMMUNITIES

ECONOMIC DEVELOPMENT

HOUSING

ENVIRONMENTAL

January 28, 2013

Fred Ramirez, City Planner
City of San Fernando
Community Development Department
117 Macneil Street
San Fernando, California 91340

RE: Revised Proposal — City of San Fernando's General Plan Housing Element
Update 2013-2021

Dear Mr. Ramirez:

Submitted herewith is a revised proposal from GRC Associates, Inc. (GRC) in response to the City of San Fernando's RFP and Addendum No. 1 seeking consulting services to update its Housing Element. The individual submitting this proposal and the contact person who is authorized to make representations for the organization is as follows:

John N. Oshimo, President
GRC Associates, Inc., a California Corporation
858 Oak Park Road, Suite 280
Covina, CA 91724
Tel: 626/331-6373
joshimo@grcassoc.com

To ensure the City of San Fernando Housing Element project is a success, the GRC team will include experienced members that will act as an extension of the City staff. John N. Oshimo will serve as Project Manager for the duration of the project.

During the previous RHNA cycle, GRC prepared five housing elements, all certified by the State. Four of the housing elements were for cities in the SCAG region (Gardena, La Habra, Lakewood and Rosemead) and one was in the Kern County (Arvin). For each housing element, GRC prepared the environmental documents required under CEQA. After their adoption, GRC has helped some of these cities implement the policies and programs in the Housing Element. With our experience in Housing Elements, GRC understands the importance of having close coordination with City staff and communication with HCD staff in order to have a successful adoption process.

In order to meet the October 15, 2013 adoption timeline, GRC will expedite the Housing Element adoption and certification process by utilizing the HCD streamlined procedure.

We appreciate the opportunity to propose on this project, and we look forward to working with the City of San Fernando. If you have any questions or require additional information please contact me at (626) 331-6373.

Sincerely,

A handwritten signature in black ink, appearing to read "John N. Oshimo".

John N. Oshimo
President

858 OAK PARK ROAD

SUITE 280

COVINA, CA 91724

T: (626) 331-6373

F: (626) 331-6375

Revised Proposal

City of San Fernando's General Plan Housing Element Update 2013-2021

Prepared for:

City of San Fernando
Community Development Department

January 28, 2013



GRC Associates, Inc.
858 S Oak Park Road, Suite 280
Covina, CA 91724



TITLE PAGE

Proposal: City of San Fernando's
General Plan Housing Element Update
2013-2021
(Includes Addendum No. 1)

Firm: GRC Associates, Inc.
858 Oak Park Road, Suite 280
Covina, CA 91724
Tel: 626.331.6373/Fax: 626.331.6375

Contact: John N. Oshimo
President
joshimo@grcassoc.com



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Appendix A: Example — City of Rosemead 2008-2014 Housing Element



I. GRC Associates, Inc.

Office Location: GRC Associates, Inc.
858 Oak Park Road, Ste. 280
Covina, California 91724

Contact Person: John N. Oshimo
President
(626) 331-6373
joshimo@grcassoc.com

GRC Associates, Inc. (GRC), a California corporation, is a multi-disciplinary firm that has provided professional consulting services to more than 60 cities and public agencies in California over the last 28 years. GRC has a professional staff of five employees that includes the President, Principal, two Planning Analysts, and an Administrative Assistant.

GRC has extensive experience in urban planning and the preparation of general plans and housing elements. During the last State-required 2008-2014 Housing Element planning cycle, GRC prepared five State-certified housing elements (cities of Arvin, Gardena, La Habra, Lakewood and Rosemead). In addition, GRC prepared the environmental document (Negative Declarations) for each housing element.

The chart below illustrates the firm's broad range of expertise:

GRC ASSOCIATES SERVICES

Project Management	Planning and Economic Development	Housing
<ul style="list-style-type: none"> ▪ Extension of Planning Staff ▪ Staff Reports, Resolutions & Work Plans ▪ Inter-departmental and Regional Agency Coordination ▪ City Council/Agency Presentations ▪ Community Outreach – presentations and handout material in English and Spanish 	<ul style="list-style-type: none"> ▪ General Plan Elements, especially Housing Elements ▪ Specific Plans ▪ CEQA Documentation ▪ Market Studies and Fiscal Impact Reports ▪ Pro Forma Analyses ▪ Economic Development Strategies ▪ Socioeconomic and Demographic Analyses ▪ GIS Mapping ▪ Parking Studies 	<ul style="list-style-type: none"> ▪ Financial Analyses for Affordable Housing ▪ Neighborhood Stabilization Program ▪ Tax Credit projects ▪ RFP and Developer Selection Process ▪ CDBG Housing Rehab. Loan Program Administration and Construction Management ▪ Housing Consolidated Plans and Action Plans



II. Executive Summary

Understanding of the Project

The fifth planning cycle of the Regional Housing Needs Assessment (RHNA) allocation for jurisdictions within the Southern California Association of Governments (SCAG) region was approved by the SCAG Regional Council on October 4, 2012. The approved final RHNA allocation for the City of San Fernando shows the City's need to accommodate 217 households during the 2014-2021 period. Of this total, 40.6 percent is distributed to low- and very low-income households and 16.1 percent to moderate-income households. Since this is an update, the achievements of the existing Housing Element must be evaluated and existing policies and programs must be revised and augmented as appropriate to meet current and projected housing needs in the City.

GRC also understands that the City desires that the Housing Element qualifies for the HCD streamline review process. Therefore, additional tasks, as identified in the City's Addendum No. 1, are included in this proposal.

The San Fernando 2013-2021 Housing Element ("Housing Element") shall include, but not be limited to:

- Evaluation of the current Housing Element goals, policies and programs;
- Analysis of the City's housing needs based on its population, housing and employment characteristics and trends;
- Inventory of resources that include funds, incentives, programs, and land suitable for residential development;
- Analysis of existing and potential governmental, market and environmental constraints that may hinder the City from meeting its share of regional housing needs and the City's efforts to respond to the current downturn in the housing market;
- Analysis of special housing needs, including persons with physical and developmental disabilities;
- Update of existing housing goals and policies; and
- Update of actions and activities the City will implement to achieve the goals, policies and quantified objectives.

State law requires that the City adopt its updated Housing Element no later than 18 months after SCAG adopts its 2012-2035 Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS), which was adopted by the Regional Council in April 2012. This deadline, which is **October 15, 2013**, includes City review and adoption of the Housing Element, State Department of Housing and Community Development (HCD) review and response to comments, an



environmental review as required by the California Environmental Quality Act (CEQA), and an effective **community outreach** program. GRC will keep City staff up-to-date on the progress of the project and ensure sufficient resources are allocated to complete work on the Housing Element in time for an October 15, 2013 adoption by the City Council. Following adoption of the Housing Element, GRC will submit it to **HCD for certification**.

Housing Element Experience

Below is a list of GRC's recent experience in housing elements, general plans and environmental documents.

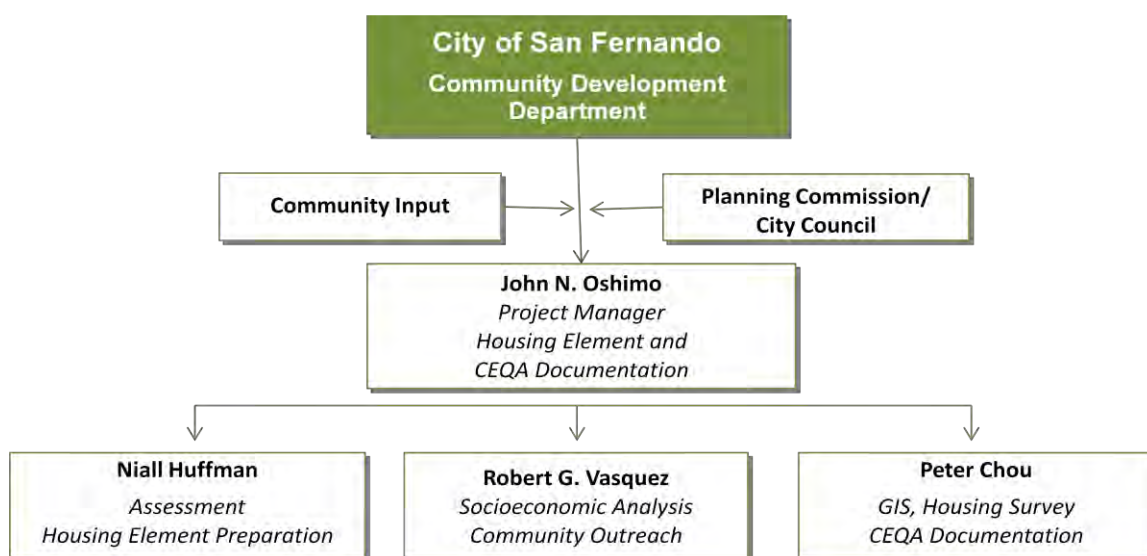
- **Arvin:** Preparation of the 2008-2013 Housing Element (certified) and Negative Declaration. Adoption of the Land Use, Conservation and Open Space, Air Quality and Community Health Elements (Adopted August 2012) and CEQA document through funding by the California Sustainable Communities Planning Grant and The California Endowment. Environmental documents were prepared for the Housing Element and the General Plan Update. GRC is currently preparing the City's Green Zoning Ordinance and Climate Action Plan along with the accompanying environmental documents.
- **Gardena:** Preparation of the 2008-2014 Housing Element (certified) and Negative Declaration. Preparation and adoption of the Gardena General Plan 2006 and EIR. Assisted the City in reducing the 2014-2021 Draft SCAG RHNA allocation by 50 percent through the SCAG administrative process. Implemented housing programs in the 2008-2014 Housing Element within one year of the Element's adoption. Housing programs included: 1) identifying incentives for mixed-use development; 2) changing the zoning code to allow higher residential densities, 3) preparing a senior housing market study; 4) preparing Mitigated Negative Declarations for zone change and senior housing project.
- **La Habra:** Preparation of the 2008-2014 Housing Element (certified) and Negative Declaration.
- **Lakewood:** Preparation of the 2008-2014 Housing Element (certified) and Negative Declaration. Preparation of the Five-Year Consolidated Plan (2010-2015), the Annual Action Plan for 2010/11 and the Analysis of Impediments to Fair Housing Choice. Implemented Housing Element programs such as acquiring residential properties for development and rehabilitation of affordable housing units.
- **Rosemead:** Preparation of the 2008-2014 Housing Element (certified) and Negative Declaration.



Project Team

The project will be managed by John N. Oshimo (President), with the assistance of Robert G. Vasquez (Principal), Niall H. Huffman (Analyst) and Peter Chou (Analyst). All core team members will be available through the course of the project. The GRC project team will prepare both the Housing Element and the CEQA document in-house. Sub-consultants will not be used to prepare the Housing Element.

ORGANIZATIONAL CHART



Below is a brief description of their experience and education.

John N. Oshimo, President, will serve as Project Manager. Mr. Oshimo has more than 35 years of experience in the fields of urban planning, housing, economic development and environmental planning in California. During the 2008-2014 housing element planning cycle, Mr. Oshimo was project manager for five housing elements (Arvin, Gardena, La Habra, Lakewood and Rosemead), including the environmental document for each element. In addition, Mr. Oshimo served as project manager for the adoption of the City of Arvin's General Plan Update (Land Use, Conservation and Open Space, Air Quality and Community Health Elements), which followed the guiding principles of the Sustainable Communities Strategy and Climate Protection Act (SB 375). Mr. Oshimo also prepared local level population, household and employment forecasts for the San Gabriel Valley COG. Mr. Oshimo has conducted a number of community outreach programs as part of planning and redevelopment projects. Mr. Oshimo holds a Master of Planning



degree from the University of Southern California and a Bachelor of Arts degree from the University of California, Los Angeles.

Robert G. Vasquez, Principal, has 22 years of experience in the real estate, housing and economic development field. Mr. Vasquez has helped cities to implement redevelopment programs and prepared numerous economic development strategies. Mr. Vasquez recently prepared a health-related market study for Arvin Community Health Element and a senior housing market study for the City of Gardena. In addition, he has extensive real estate development consulting experience. Examples of some of the consulting services completed included development feasibility, financial analysis, site selection, appraisal reviews and preliminary valuation studies. He is fluent in Spanish and has provided Spanish translation and interpretation during community meetings regarding general plans, economic development strategies and redevelopment plans. Mr. Vasquez is a graduate of Harvard University—Master of Public Administration, Columbia University—Master of Business Administration and the University of Southern California—Bachelor of Science.

Niall H. Huffman, Analyst, has accumulated significant experience in the fields of sustainable land use, economic development and affordable housing. Mr. Huffman has prepared three State-certified housing elements (Gardena, La Habra and Rosemead) and participated in the preparation of various other general plan elements, redevelopment plans and associated CEQA documents. Mr. Huffman is currently participating in the preparation of the Climate Action Plan for the City of Arvin and previously participated in the preparation of the Land Use, Conservation/Open Space, Air Quality and Community Health elements. He has also prepared several reports on opportunities and challenges for livable neighborhoods and active transportation, both from the perspective of neighborhood economic development and from that of public health. Mr. Huffman holds a Master of Arts degree in Urban Planning from the University of California, Los Angeles and a Bachelor of Arts degree in Geography from the University of California, Santa Barbara.

Peter Chou, Analyst, assisted in the preparation of the housing element for the cities of Arvin and Lakewood. He has conducted physical and economic blight and land use survey and has prepared environmental documents. Mr. Chou is also experienced in GIS analysis and mapping, having prepared market survey maps, land use maps, housing condition maps, and project area maps, with ArcGIS. He holds a Master of Planning degree from the University of Southern California and a Bachelor of Science degree in Business Administration from the University of California, Riverside.



III. Scope of Work

Approach

The objective of the San Fernando Housing Element update is to develop a comprehensive housing program that addresses the housing needs of the City's present and future residents. These needs will be met by ensuring access to adequate and affordable housing for households of all income levels and for residents with and without special housing needs. Criteria to be used by GRC in developing this Housing Element shall include: (1) satisfying State Housing Element law; (2) meeting the City's fair-share allocation of the regional housing need; (3) ensuring consistency with other General Plan Elements and applicable plans and policies; and (4) reflecting the needs and preferences of the local community and decision-making bodies.

Success in certifying the Housing Element depends on a number of key factors:

- **Project Management** – Coordinating and communicating with City staff and HCD staff.
- **Consistent Policies** – Ensuring consistency with the City's General Plan, SCAG's RHNA allocation and RTP/SCS.
- **Inventory of Suitable Housing Sites** – Conducting a survey of vacant land, underutilized land and areas of potential infill and mixed-use as required by AB 2348.
- **Environmental Review** – Preparing all required environmental documents and notices within the timeframe required under CEQA.
- **Public Outreach Process** – Developing a community outreach program that provides easy-to-understand information on the Housing Element and update process, and meaningfully incorporates input from the San Fernando community.

HCD Streamlined Review Process

The Department of Housing and Community Development (HCD) has proposed a streamlined review process for jurisdictions, like San Fernando, that obtained certification for their elements in the previous cycle. Under this process, HCD will be able to certify selected sections of the Housing Element with minor edits and revisions from the City's certified 2008-2014 element—for example, to reflect more recent demographic and housing data—without needlessly requiring extensive new analysis or discussion. By qualifying for the streamlined process, the length of time required to review the draft Housing Element will be significantly shortened. However, qualification for this review process requires



San Fernando to fulfill many of the identified housing programs in the 2008-2014 Housing Element, specifically those related to rezoning in order to accommodate the RHNA figures and to comply with State law.

The implementation of the current Housing Element Program 10: **Zoning Ordinance Revision** is required prior to HCD's review of the draft Housing Element in order to qualify for the streamlined review. This requires amending the zoning ordinance to make explicit provisions for manufactured housing, community care facilities, SROs, transitional and supportive housing, and emergency shelters. The adoption of the zoning ordinance amendment is anticipated in March 2013, which is prior to the submittal of the draft Housing Element to HCD according to GRC's proposed adoption schedule, and therefore, within HCD's timeframe.

Another program identified in the Housing Element is the **Affordable Housing Density Bonus**, which is required by State law and necessary to qualify for the streamline review process and State certification. The Density Bonus Ordinance should be completed prior to the draft Housing Element submittal to HCD.

Government Code Section 65302 (AB 162) requires all jurisdictions to amend the safety and conservation element of their general plan to include an analysis and policies regarding food hazard and flood management information, on or after, January 1, 2009. Compliance with AB 162 is not required for a streamlined review; however, for compliance with State law and eventual certification of the Housing Element, an internal consistency review with the land use element will be conducted and included in the Housing Element.

The Addendum No. 1 also indicated the desire to conduct a consultation with the **Native American Heritage Commission (NAHC)**. As part of the CEQA environmental review process, GRC will consult with the NAHC and include them in the environmental scoping meeting at the first community meeting. In addition, as part of the cultural resources analysis in the Negative Declaration/Mitigated Negative Declaration, GRC will consult with the Native American tribe recommended by the NAHC. This was already anticipated as a task in the proposal for environmental review (Task 4: Compliance with CEQA).

The environmental document requires a greenhouse gas (GHG) emission analysis. In calculating **GHG emissions** produced by the proposed project, GRC will use the **California Emissions Estimator Model (CalEEMod)** to establish quantitative measurements of the amount of GHG emissions produced that may have direct or indirect impacts on the environment. The CalEEMod quantifies direct emissions from construction, operation, and vehicle use, as well as indirect emissions, such as those from energy production, solid waste handling, vegetation planting and/or removal, and water conveyance.

In order to determine whether the review of this Housing Element will qualify for the HCD streamlined review, it is recommended that the assessment of Housing



Element programs – Task 1 of this proposal – be submitted to HCD as soon as it is completed.

Project Management

- A. **Scheduling:** At the start of the project, GRC will prepare a detailed schedule that highlights all the milestones through the Housing Element adoption and HCD certification process. This schedule will identify the submittal dates of all draft and final products, workshops, study sessions and public hearings.
- B. **Staff Meetings:** To ensure coordination with City staff and a continuous flow of information, GRC will meet with City staff as frequently as needed to ensure a successful project. GRC will immediately notify the City of any unanticipated changes to the scope of work resulting from new housing legislation or significant public comments. Only with written City approval will GRC change the scope. In addition, GRC will attend all Planning and Preservation Commission (“Planning Commission”) and City Council meetings, study sessions and public hearings required by City staff and prepare all required staff reports and resolutions.
- C. **HCD Communication:** GRC will coordinate with HCD staff throughout the process to avoid surprises and lengthy comments prior to certification of the Housing Element. Early in the review process, GRC will consult with HCD to ensure that all the requirements of the streamline review process are being met and that the City is able to take full advantage of this option. In addition, GRC will meet, if necessary, with the HCD staff person responsible for reviewing the City’s Housing Element. GRC will also invite HCD on a tour of the City to illustrate the unique opportunities and constraints that exist. Direct contact with HCD and informal responses prior to the submittal of formal written responses will shorten the approval period.

Task	Staff	Schedule	Product
Project Management	John Oshimo	Week after City Council approval of contract	Kickoff meeting — copies of the detailed project schedule and list of required materials
		Duration of project	Staff reports, resolutions, CEQA notices, and staff meetings as needed



TASK 1 — Housing Element Review and Assessment

GRC will review and evaluate the current San Fernando 2008-2014 Housing Element to determine the effectiveness and appropriateness of the current goals and programs. This task will determine: 1) the appropriateness of the goals, objectives and policies in meeting the State's housing goals; 2) the effectiveness of the previous element's goals, objectives, policies and programs with respect to meeting regional housing needs; 3) the progress in implementation – what was expected of the identified housing program and what actually was accomplished during the planning period; and 4) compliance with current State housing law.

This task will include a review of: resolutions and ordinances related to the implementation of housing programs (i.e., density bonus, inclusionary housing, zoning revisions, etc.); building permit data on the number of new units produced; annual reports on homes rehabilitated through the Rehab. Loan Program and CAPP; funds and tools available to implement programs; and, all other housing programs identified in the City's 2008-2014 Housing Element.

Task	Staff	Schedule	Product
Housing Element Review and Assessment	John Oshimo Niall Huffman	Jan. 2013	Evaluation of the current Housing Element — progress and effectiveness of programs

TASK 2 — Preparation of Housing Element

Needs Analysis. GRC will utilize the SCAG information center for much of the required data in the Housing Element. The Housing Element will also be supplemented with information from the 2010 Census, Census American Community Survey, Department of Finance (DOF), Employment Development Department (EDD), and from private data sources such as Nielsen/Claritas and Dataquick. Housing data will be summarized in tables, and where appropriate, graphically depicted on GIS maps to simplify the information being conveyed. The Housing Element will present the following information:

- A. Current information on the City's population, households, housing and employment.
 1. Population, housing and employment growth trends;
 2. Demographic characteristics including age distribution, race and ethnicity, and gender;



3. Housing and household characteristics including household size, incidence of overcrowding, housing tenure, vacancy rate, and level of payment compared to ability to pay;
 4. Comparison of median household and per capita income of San Fernando's residents to the region, persons living in poverty by subgroup i.e. female-headed households, elderly, children; and
 5. Employment characteristics including labor force population and types of jobs and industries that currently employ San Fernando residents.
- B. Current for-sale housing prices for the City. Housing costs will be compared with adjacent jurisdictions to assess affordability. Comparable housing cost information will be obtained from private data collection firms and from calls to local real estate companies.
 - C. Current rents by unit size for the City. Rental information will be obtained from apartment owners associations, local real estate agents specializing in rentals, apartment management firms, and from printed and online rental listings.
 - D. Current and projected number of households (where possible) with special housing needs. This analysis will include the following special needs groups: elderly individuals; female heads-of-household; large family households; ethnic and racial minorities; persons with disabilities; and persons and families in need of emergency, transitional and supportive housing.
 - E. Relationship of San Fernando's housing costs to household income. The most recent available data will be analyzed to compare existing household incomes in San Fernando with the availability of affordable rental and for-sale housing to residents.
 - F. Update the 2008 housing conditions inventory based on a visual survey of the residential areas of the City.
 - G. Projections of San Fernando's population, household, and employment growth. Based on the existing and designated land use, current housing growth trends and household formation trends, GRC will develop City forecasts targeted to the final RHNA figures. GRC will evaluate whether or not the City will be able to meet its future housing need, by income group, for the 2014 - 2021 planning period.
 - H. Any other information required by HCD.



Task	Staff	Schedule	Product
Needs Analysis	John Oshimo Robert Vasquez Peter Chou Niall Huffman	Jan. - Feb. 2013	Profile of the city with text, tables and charts

Housing Resources and Opportunities. State law requires an inventory of land suitable for residential development and analysis of sites' potential for redevelopment or recycling. GRC will examine the current General Plan Land Use Element and Housing Element and work with City staff to identify additional sites adequate to accommodate the City's share of the regional housing need, including vacant land, underutilized parcels, surplus City sites, and areas of potential infill development. GRC will update the status of sites identified in the current Housing Element's adequate sites inventory. GRC recently visited some of the potential residential sites in the Housing Element and found that most of the sites are still vacant or used for public parking. Examples of these sites are illustrated on the following pages.

GRC will examine the various federal, state and local funding sources that are available for the maintenance, preservation, improvement and development of affordable housing in San Fernando. This list will include such funding programs as the HOME, CDBG, tax credits, and other potential funding programs. The recent dissolution of redevelopment agencies in California has created uncertainty about the disposition of low/moderate-income housing set-aside monies that typically underwrite affordable housing development. GRC will work with staff to develop alternative funding solutions for meeting the City's lower-income RHNA allocation. These solutions could include cooperation between the City and county and state agencies, as well as nonprofit organizations, to ensure adequate resources are available to facilitate development.

Task	Staff	Schedule	Product
Housing Resources and Opportunities	John Oshimo Peter Chou Niall Huffman	Feb. - Mar. 2013	<ul style="list-style-type: none"> ▪ List and map of available sites including parcel number, property and housing condition and size ▪ Discussion of existing and potential funding sources ▪ GIS analysis and maps identifying parcels available for housing



Examples of residential sites identified in the Housing Element that are still available for development.

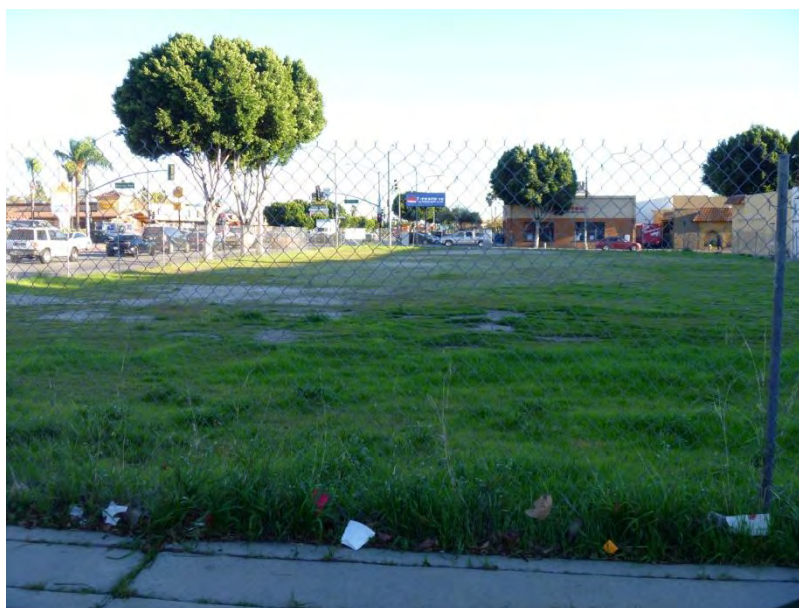


Site No. 1

342 Celis Street

Public Parking

Potential for 100 very low income senior apartments



Site No. 2

1000 Truman Street and
104 S. Maclay Avenue

Public Parking and
Vacant Land

Potential for 87 units



Examples of residential sites identified in the Housing Element that are still available for development.



Site No. 11

208 Jessie Street

Vacant Land

Potential for 8 units



Site No. 12

551 S. Kalisher Street

Vacant Land

Potential for 2 low-income units



Housing Constraints. GRC will examine both governmental and non-governmental constraints that act as barriers to the maintenance, improvement and/or development of housing for all income levels. GRC's analysis will include, but not be limited to, the following key topics:

- A. Review inclusionary housing policies, density bonus ordinance, land use controls, development standards, permitting and approval process, fees and other governmental constraints.
- B. Identify the location and extent of environmental and infrastructure constraints on future residential development. This will involve interviews with key City department staff to identify potential service and infrastructure deficiencies and environmental issues.
- C. Identify non-governmental constraints such as the existing construction market and the availability of financial resources.
- D. Identify opportunities for energy conserving design in residential construction, and analyze the potential reduction in long-term housing costs.
- E. Assess the impact of redevelopment dissolution, if any, on the production of affordable housing.

Task	Staff	Schedule	Product
Housing Constraints	John Oshimo Robert Vasquez Peter Chou Niall Huffman	Feb. - Mar. 2013	<ul style="list-style-type: none"> ▪ Analysis of the General Plan, zoning ordinance, building code enforcement, development fees, development requirements and permit procedures. ▪ Analysis of infrastructure, environmental and market constraints.

Housing Policy Program and Quantified Objectives. GRC will work with the various departments of the City and incorporate planning, housing and economic development activities to develop a housing plan. GRC will meet with City staff to explore potential policies and programs that will develop various housing types for all income levels, including rental housing, factory-built housing, mobile homes, emergency shelters and transitional housing to meet the City's identified housing needs.



In addition, GRC will explore possible measures and programs to respond to the current housing market. These include:

- A. **Foreclosures** — Identify local, state and federal programs initiated to respond to the foreclosure crisis, such as the federal American Recovery and Reinvestment Act, HUD Neighborhood Stabilization Program, and any other mechanisms that may be provided in the near future. GRC will survey other communities that have programs to assist residents facing foreclosure and seek to incorporate the most effective practices into the Housing Element.
- B. **Zoning Ordinance Revisions** — Based on the Housing Element's Governmental Constraints analysis, recommend revisions, if necessary, to the zoning ordinance to better facilitate the development of various of housing type.
- C. **Public/Private Partnership** — Identify partnership programs to promote higher density/mixed-use development and affordable housing development within the City.
- D. **Sustainability** — Examine opportunities to enhance resource efficiency and long-term housing affordability through the design, renovation, reuse, and operation of residential buildings within the City. This could include establishing development and design standards to reduce water consumption, improve energy efficiency and reduce overall environmental impacts. GRC will examine practices in other jurisdictions to determine how sustainable practices can be integrated with existing housing programs, with particular emphasis on reducing overall housing costs (rent plus utilities) for residents over time.

GRC will revisit and revise the housing plan and implementation program in the latter stages of the project, as necessary and appropriate to address comments from HCD.

As required by State Housing law, the Housing Element will include quantified objectives for the maximum number of housing units which can be constructed, rehabilitated, and conserved over the planning period.

Task	Staff	Schedule	Product
Housing Policy Program and Quantified Objectives	John Oshimo Peter Chou Niall Huffman	Feb.-Mar. 2013	<ul style="list-style-type: none"> ▪ List of goals, policies and a five-year action program. ▪ Implementation table summarizing the policies, housing program, plan objective, funding sources, responsible agency and time frame.



TASK 3 – Prepare and Finalize Draft Housing Element

Administrative Draft Housing Element. Based on the analysis and evaluation conducted in Tasks 1 and 2, the administrative draft Housing Element will be prepared and submitted to City staff for review and comment. GRC will be responsible for processing the draft Housing Element for HCD review.

Public Review Draft Housing Element. The draft Housing Element will be made available for public review at City Hall and at the City's public library. Information on the Housing Element will also be made available on the City's website or other forms of public information to be agreed upon by the City.

HCD Submittal of Draft Public Review Draft Housing Element. GRC will submit the Draft Housing Element to HCD and initiate communication with the HCD reviewer.

Task	Staff	Schedule	Products
Prepare and Finalize Draft Housing Element	John Oshimo Niall Huffman	Apr. - May 2013	<ul style="list-style-type: none"> Admin. draft - 3 hard copies, 1 Word document and 1 PDF file Draft Housing Element – 3 hard copies, 1 reproducible original, 1 Word document and 1 PDF file Transmittal letter to HCD and 1 hard copy, 1 Word document and 1 PDF file

TASK 4 – Compliance with CEQA

The adoption of the Housing Element is subject to the requirements of the California Environmental Quality Act (CEQA). GRC will prepare the Initial Study which will determine the need for a Negative Declaration, Mitigated Negative Declaration or Environmental Impact Report. Based on GRC's prior experience with Housing Elements and CEQA documents, we anticipate that a Mitigated Negative Declaration will be required. This assumes that the updated Housing Element will not require changes to the designated land uses in the General Plan. If a Mitigated Negative Declaration is prepared, GRC will prepare a mitigation monitoring and reporting program. GRC will conduct a scoping meeting prior to the Initial Study and prepare all required notices (Notice of Intent, Notice of Completion and Notice of Determination). In addition, GRC submit the No Effect Determination form to the Department of Fish and Game at the time the Notice of



Intent is circulated for public review. It is anticipated that the project will be able to obtain a determination from Fish and Game that the project will have “no effect” on fish and wildlife. Once the project has been approved by the City, both the NOD and No Effect Form will be submitted to the State CEQA Clearinghouse within five days after the adoption of the Housing Element.

Task	Staff	Schedule	Product
Compliance with CEQA	John Oshimo Peter Chou	June - Oct. 2013	<ul style="list-style-type: none"> ▪ Draft Initial Study - 3 hard copies, 1 Word document and 1 PDF file ▪ Preparing and mailing hard copies of Initial Study, NOI, NOC and NOD, Fish and Game "No Effect" to responsible agencies and state

TASK 5 – Community Workshops and Public Hearings

As required by State law, all social and economic segments of the community will be provided an opportunity to review and comment on the Housing Element. In compliance with this requirement, GRC and the City will conduct at least three (3) community workshops.

At the first community workshop, GRC will give a presentation discussing the Housing Element update process and informing participants of the role they can play in making sure the Housing Element addresses the needs of the community. In addition, GRC will ask participants to discuss their key concerns regarding housing needs and additional residential development. The first community meeting will also invite the participation of local and regional public agencies and special districts and serve as the environmental scoping meeting for the CEQA document.

The second community workshop will be held prior to the submittal of the draft Housing Element to HCD. At this workshop, GRC will review the input received at the first workshop, present the key findings of the housing needs assessment, and summarize the adequate sites inventory and housing programs contained in the Draft Housing Element. GRC staff will then solicit participants' comments on the draft and identify any remaining concerns to be addressed in the final Draft Housing Element.

The third workshop will be conducted prior to the City's adoption of the Final Housing Element.



As part of the adoption process, GRC will attend two (2) Planning Commission meetings and two (2) City Council meetings. The first public hearings will be to approve submittal of the Draft Housing Element to HCD and the second public hearing will be to adopt the Final Housing Element.

Task	Staff	Schedule	Products
Community Workshops and Public Hearings	John Oshimo Robert Vasquez	Feb., Apr. and Sept. 2013	<ul style="list-style-type: none"> Community workshop notices, mailing list, handout material Summary of public comments Public Hearing staff reports, resolutions, notices

TASK 6 – HCD Liaison

Upon receipt of comments from HCD on the draft Housing Element, GRC will compile a memo responding to all HCD comments. As an extension of City staff, John Oshimo, GRC's Project Manager, will be the contact person with HCD. GRC will meet with and/or conduct phone conferencing with HCD staff to adequately respond to their comments, beginning with a pre-submittal consultation. During this task period, GRC will consult with HCD staff on streamlined review; GRC considers it likely that the City will be eligible for this process. GRC will prepare any and all paperwork associated with the streamlined review process, including the Implementation Review worksheet and Completeness Checklist. Additionally, GRC will invite HCD to a tour of the City if it has any questions regarding the adequate sites inventory. GRC will organize and conduct the tour. If any changes are made to the Housing Element during the public hearing and adoption phase, GRC will communicate with HCD staff to ascertain how the review status of the Housing Element may be affected.

Task	Staff	Schedule	Products
HCD Liaison	John Oshimo Niall Huffman	May - Oct. 2013	Response to HCD comments on Draft Housing Element, including more than one round of HCD comments/City response



TASK 7 – Final Housing Element and Certification

Final Housing Element. Once HCD has provided the City a conditional certification letter, GRC will assist City staff in conducting Planning Commission public hearings and City Council public hearings on the Final Housing Element. GRC will assist the City in preparing staff reports and other supporting materials.

GRC recommends that copies of the Draft and Final Housing Element be made available for public review at City Hall and at the City's public library. Information on the Housing Element should also be made available on the City's website and through other media to be agreed upon between GRC and City staff.

State Certification. After the City adopts the Final Housing Element, GRC will submit a copy with a transmittal letter to HCD for certification.

Task	Staff	Schedule	Products
Final Housing Element and Certification	John Oshimo	Aug. - Nov. 2013	<ul style="list-style-type: none"> ▪ Final Housing Element in color - 3 hard copies, 1 reproducible original, 1 Word document and 1 PDF file ▪ Certified Housing Element - 20 hard copies, 1 Word document and 1 PDF file

OPTIONAL TASKS -- Necessary to Qualify for the HCD Streamline Review and Certification

Density Bonus Ordinance. GRC will prepare the staff report and work with the City attorney to draft the Density Bonus Ordinance. In addition, GRC will prepare the environmental document, most likely a Negative Declaration, and attend Planning Commission and City Council meetings.

Native American Heritage Commission Consultation. Already included in the original proposal.

AB 162 Compliance. GRC will conduct an internal consistency review with the land use element.

GHG Emissions. GRC will conduct a model run using the California Emissions Estimator Model to establish quantitative measurements of the amount of GHG emissions produced by any proposed land use changes.



III. Scheduling

GRC proposes to complete the project **within 10 months** from the notice to proceed. The key deadline will include the **adoption of the Housing Element by October 15, 2013 and subsequent certification in November 2012**. The 10-month process includes all community workshops, study sessions, public hearings, preparation of the Draft and Final Housing Element, response to HCD comments, completion of the CEQA document and notices, and receipt of the HCD certification letter.

The 10-month project schedule is illustrated on the following page.

PROJECT SCHEDULE

TASKS	Months in 2013									
	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. 2013
Project Management										
TASK 1: Housing Element Review and Assessment										
TASK 2: Preparation of Housing Element										
TASK 3: Prepare and Finalize Housing Element				Submit to HCD						
TASK 4: Compliance with CEQA						NOI			NOD	
TASK 5: Community Workshop and Public Hearings	X		X	PC/CC Pub. Hearings				X	PC/CC Pub. Hearings	
TASK 6: HCD Liaison										
TASK 7: Final Housing Element and Certification										HCD Cert.
OPTIONAL TASK										
Density Bonus Ordinance + Neg. Dec.										
AB 162 Compliance										
GHG Emissions Analysis										



V. Schedule of Fees

GRC proposes to complete the project at a total not-to-exceed cost of **\$37,580**. The line item project costs and fee schedule tables are presented below and on the following page.

PROJECT COSTS

Item	Budget
Project Management	\$2,880
TASK 1: Housing Element Review and Assessment	\$2,720
TASK 2: Preparation of Housing Element	\$8,640
TASK 3: Prepare and Finalize Housing Element	\$3,080
TASK 4: Compliance with CEQA	\$3,000
TASK 5: Community Workshop and Public Hearings	\$2,880
TASK 6: HCD Liaison	\$3,840
TASK 7: Final Housing Element and Certification	\$1,840
OPTIONAL TASKS	
Density Bonus Ordinance	\$6,000
AB 162 Compliance	\$500
GHG Emission Analysis	\$1,200
Indirect Costs	\$1,000
TOTAL BUDGET	\$37,580



PROJECT COST PROPOSAL

City of San Fernando Housing Element Consultant Services

GRC Associates, Inc.
858 Oak Park Road, Suite 280
Covina, CA 91724

Cost Categories	FEE SCHEDULE HOURLY RATE	PROJECT MANAGEMENT		TASK 1		TASK 2		TASK 3		TASK 4		TASK 5		TASK 6		TASK 7		GRAND TOTAL (All tasks)	
		Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Staffing																			
Senior Principal (John Oshimo)	\$ 160.00	18	\$2,880	6	\$960	20	\$3,200	12	\$1,920	6	\$960	10	\$1,600	16	\$2,560	10	\$1,600	98	\$15,680
Principal (Robert Vasquez)	\$ 140.00	0	\$0	0	\$0	12	\$1,680	2	\$280	0	\$0	8	\$1,120	0	\$0	0	\$0	22	\$3,080
Planning Analyst (Peter Chou)	\$ 80.00	0	\$0	0	\$0	12	\$960	4	\$320	24	\$1,920	2	\$160	0	\$0	0	\$0	42	\$3,360
Planning Analyst (Niall Huffman)	\$ 80.00	0	\$0	22	\$1,760	32	\$2,560	4	\$320		\$0	0	\$0	16	\$1,280	0	\$0	74	\$5,920
Administrative Assistant (Bernadette Soledad)	\$ 60.00	0	\$0	0	\$0	4	\$240	4	\$240	2	\$120	0	\$0	0	\$0	4	\$240	14	\$840
Subtotal - Direct Labor		18	\$2,880	28	\$2,720	80	\$8,640	26	\$3,080	32	\$3,000	20	\$2,880	32	\$3,840	14	\$1,840	250	\$28,880
Direct Costs																			
Data and Information Purchase							\$100												100
Travel							\$100												200
Printing - Directly Chargeable only									\$100								\$200		350
Mailing*									\$50						\$50		\$50		200
Subtotal - Direct Costs:			\$100		\$0		\$200		\$150		\$100		\$0		\$50		\$250		\$850
GRAND TOTAL (Not to Exceed)		18	2,980	28	2,720	80	8,840	26	3,230	32	3,100	20	2,880	32	3,890	14	2,090	250	29,730

Note: Does not include Fish and Game fee if required
City will mail flyers and publish notices in local paper

**GRC FEE SCHEDULE**

Position	Hourly Rate
Senior Principal	\$160
Principal	\$140
Planning Analyst	\$80
Administrative Assistant	\$60

Any additional services outside the scope of work will be first approved by the City and will be billed on a time and material basis. Direct costs for additional services outside the not-to-exceed amount will be billed at our cost plus 20%. Direct costs include printing of documents, purchase of project-related materials, postage and related costs.



VI. Sample of Previous Work

An example of a Housing Element prepared by GRC Associates, Inc. is included as Appendix A in the enclosed CD and on the City of Rosemead's website:

<http://www.cityofrosemead.org/Modules/ShowDocument.aspx?documentid=2257>



VI. References

City of Arvin

Tim Chapa, City Manager (661) 854-3134
200 Campus Drive, Arvin, CA 93203
tchapa@arvin.org

- Arvin General Plan Update: Land Use, Conservation and Open Space, Air Quality and Community Health Elements and MND (Adopted August 2012)
- Arvin 2008-2013 Housing Element (certified) and Neg. Dec.
- Arvin Redevelopment Plan Amendment and EIR (2010)
- Climate Action Plan (in progress)

City of Gardena

G. Yvonne Mallory, Economic Development Manager (310) 217-9533
1700 West 162nd Street, Gardena, CA 90247
YMallory@ci.gardena.ca.us

- Senior Housing Project market study (HUD/TCAC requirement) and MND (2012)
- Gardena Housing Element 2008-2014 (certified) and Neg. Dec.
- Gardena General Plan 2006 (all mandatory elements) and EIR

City of Lakewood

Sonia Southwell, Director of Community Development (562) 866-9771
5050 Clark Avenue, Lakewood, CA 90712
SSouthwe@lakewoodcity.org

- Lakewood Housing Element 2008-2014 (certified) and Neg. Dec.
- City's Economic Development/Housing Advisor (2000-Present)

City of Rosemead

Michelle Ramirez, Director of Community Development (626) 569-2158
8838 E. Valley Boulevard, Rosemead, CA 91770
mramirez@cityofrosemead.org

- Rosemead Housing Element 2008-2014 (certified) and Neg. Dec.



VIII. Additional Information

No additional information is provided.



Appendix A: Example — City of Rosemead 2008-2014 Housing Element

Please see the enclosed CD for the full Rosemead Housing Element

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PUBLIC WORKS DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, City Administrator
By: Ron Ruiz, Public Works Director

DATE: February 19, 2013

SUBJECT: Award of Contract – Professional Services for On-Call Maintenance and Repair Services for Water Well and Booster Pump Assemblies

RECOMMENDATION:

It is recommended that the City Council:

- a. Award a contract to General Pump Company, Inc. to provide On-Call Maintenance and Repair Services for Water Well and Booster Pump Assemblies; and
- b. Authorize the City Administrator to execute a Professional Services Agreement with General Pump Company, Inc. (Attachment “A”) for an amount not to exceed \$60,000.

BACKGROUND:

1. On November 2, 2012, a Request for Proposal (RFP) was published.
2. On November 16, 2012, two proposals were received. The companies that submitted proposals were General Pump Company, Inc. and Tri County Pump Company.
3. On Wednesday, December 12, 2012, staff conducted a site visit at both General Pump Company, Inc. and Tri County Pump Company.
4. On January 22, 2013, staff met to review the proposals and develop a recommendation.

ANALYSIS:

This report is for an award of contract to provide on-call maintenance and repair services for water well and booster pump assemblies comprising the City’s water mechanical system. In the past, the City has used different firms to provide these services on an as needed basis. However,

Award of Contract – Professional Services for On-Call Maintenance and Repair Services for Water Well and Booster Pump Assemblies

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it has been determined that it would be more cost effective to have a fixed contract to better ensure competitive pricing and to expedite these services when urgently needed.

Recently there have been occurrences where urgent repair services were needed; however the service was delayed due to time needed to process an informal bid request. With a contract in place, staff will have access to immediate repair services as budgeted for the fiscal year.

Scope of Work

The on-call maintenance and repairs contract will require the contractor to respond to non-emergency related requests within 24 hours and an emergency related request within one hour. The scope of services will include the following:

1. Complete well or booster rehabilitation
2. Re-packing of line shafts
3. Various electrical problems (specifically to motors)
4. Motor repairs and overhauls
5. Pump line shaft replacement

The following mechanical equipment will be maintained through the contract:

A booster pump is a combination of pumps, motors, valves, and electrical controls. With the support of connecting pipelines, each part works together to push water from one elevation to a higher elevation. The pumps are also needed when pressure is not high enough to supply water to a reservoir or in a high service zone.

Water wells and booster pumps are two critical aspects in the process of delivering water to residential, commercial, and industrial customers. Any disruption to the proper functioning of a well or booster pump has the potential of severely limiting the amount of water available to customers and for fire protection.

Selection Criteria

The City received two proposals by the due date from General Pump, Company Inc., with offices located in San Dimas and Camarillo, California, and from Tri County Pump Company located in San Bernardino, California. Staff used the following RFP criteria to evaluate the submitted proposals.

1. Professional qualifications and experience of the Contractor and its staff in providing public works departments with On-Call Maintenance and Repair Services for Water Well and Booster Pump Assemblies.
2. The Contractor's overall ability to provide and perform services as stated in scope of work.
3. Track record and recommendation of relevant references
4. Fee Schedules/Total Cost.

Award of Contract – Professional Services for On-Call Maintenance and Repair Services for Water Well and Booster Pump Assemblies

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General Pump Company, Inc. currently has a contract with the City to construct and install a water based pump associated with the Nitrate Removal Project. They have also provided as-needed services for the City over the last 15 years.

Tri County Pump Company is located in San Bernardino, California, and provides water well, and pump repair and maintenance services over the last 15 years as a corporation. They also provide services for many municipalities.

Site Visits

In order to better assess the firms ability to provide the services, on December 12, 2012, the Public Works Director and the Public Works Superintendent who oversees the water division conducted site visits with both firms to meet key staff, assess vehicle and equipment resources, and general shop operations (Attachment “B”).

General Pump Company, Inc. is a water well redevelopment and pump equipment contractor and has been in operation for over 21 years. They provide services for many municipalities. Staff visited their San Dimas location, which house their manufacturing, machine shop and repair facilities. This office would be the primary location to provide services to the City. The Camarillo office could also be used in an emergency or natural disaster when travel from the San Dimas office would not be possible.

Staff rated the General Pump Company, Inc. facilitates higher than Tri County Pump Company due to their larger and very well organized facilities. This firm also had a greater inventory of service vehicles and more extensive manufacturing and repair capabilities. General Pump Company, Inc. also offers professional engineering oversight and consulting services.

Staff Recommendation

Although the proposals were assessed by various criteria, the fee schedules did become a significant consideration in the proposal evaluation process. In general, Tri County Pump Company's fees were higher than General Pump Company, Inc. to provide the same type of services. While both firms appear to be capable of providing the requested services, General Pump Company, Inc. offers the same services at a lower cost with superior

operating facilities. Therefore staff is recommending an award of contract to General Pump Company. The agreement term will be two (2) years with three (3) one-year options to extend; total of five (5) years.

CONCLUSION:

General Pump Company, Inc. is a well-qualified firm with a history of providing high-level maintenance and repair services for water well and booster pump assemblies. After a detailed evaluation of submitted proposals, Public Works Department staff recommends that the City

Award of Contract – Professional Services for On-Call Maintenance and Repair Services for Water Well and Booster Pump Assemblies

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Council authorize the City Administrator to execute a professional service agreement, with General Pump Company, Inc.

BUDGET IMPACT:

The funds to cover this expenditure are included in the City Council approved budget for Fiscal Year 2012-13: Fund 70-384 (Water Production). In subsequent years the annual contract amount will be included in the City budget for City Council approval as well. The budget for this expenditure is a maximum, not-to-exceed amount of \$60,000.

ATTACHMENTS:

- A. Contract
- B. Tour Pictures

ATTACHMENT "A"**AGREEMENT FOR PROFESSIONAL SERVICES**

This Agreement is entered into this 19th day of February, 2013 by and between the City of San Fernando, a municipal corporation ("CITY") and General Pump Company, Inc., a California corporation ("CONSULTANT").

RECITALS

A. CITY has determined that it requires the following professional services from a consultant: update the designs for route maps, informational handout, and website information on the trolley program.

B. CONSULTANT represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. CONSULTANT further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of mutual covenants and conditions herein contained, CITY and CONSULTANT agree as follows:

1. DEFINITIONS

A. "Scope of Services": Such professional services as are set forth in Exhibit A attached hereto and incorporated herein by this reference.

B. "Approved Fee Schedule": Such compensation rates as are set forth in the fee schedule attached hereto as Exhibit B and incorporated herein by this reference.

C. "Commencement Date": February 20, 2013

D. "Expiration Date": February 20, 2015

2. CONSULTANT'S SERVICES

A. Scope of Services. Subject to the terms and conditions set forth in this Agreement, CONSULTANT shall perform the services identified in the Scope of Services. CITY shall have the right to request, in writing, changes in the scope of work or the services to be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Time for Performance. CONSULTANT shall commence the services on the Commencement Date and shall perform all services diligently and expeditiously.

C. Standard of Performance. CONSULTANT shall perform all work to the highest professional standards and in a manner reasonably satisfactory to CITY. CONSULTANT shall comply with all applicable federal, state and local laws, ordinances, codes and regulations.

3. REPRESENTATIVES

A. City Representative. For the purposes of this Agreement, the contract administrator and CITY's representative shall be the City Public Works Director (hereinafter the "City Representative"). It shall be CONSULTANT's responsibility to assure that the City Representative is kept informed of the progress of the performance of the services, and CONSULTANT shall refer any decisions which must be made by CITY to the City Representative. Unless otherwise specified herein, any approval of CITY required hereunder shall mean the approval of the City Representative.

B. Consultant Representative. For the purposes of this Agreement, Kara Weber, Sales Engineer is hereby designated as the principal and representative of CONSULTANT authorized to act on its behalf with respect to the services specified herein and make all decisions in connection therewith (the "Responsible Principal"). The Responsible Principal may not be changed by CONSULTANT without the prior written approval of CITY.

4. CONSULTANT'S PERSONNEL

A. CONSULTANT represents that it has, or will secure at its own expense, all personnel required to perform the services required under this Agreement. All such services will be performed by CONSULTANT or under its supervision, and all personnel engaged in the work shall possess the qualifications, permits and licenses required by applicable law to perform such services.

B. CONSULTANT shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Agreement, and compliance with all reasonable performance standards established by CITY.

C. In the event that CITY, in its sole discretion, at anytime during the term of this Agreement, desires the removal of any person or persons assigned by CONSULTANT to perform services pursuant to this Agreement, CONSULTANT shall remove any such person immediately upon receiving notice from CITY of the desire of CITY for the removal of such person or persons.

D. CONSULTANT shall be responsible for payment of all employees' and subconsultants' wages and benefits and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security.

E. Permits and Licenses. CONSULTANT shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a City of San Fernando business license.

5. FACILITIES AND EQUIPMENT

Except as otherwise authorized by CITY in writing, CONSULTANT shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

6. TERM OF AGREEMENT

This Agreement is effective as of the Commencement Date and shall terminate on the Expiration Date, unless sooner terminated as provided in Section 18 herein.

7. COMPENSATION

A. CITY agrees to compensate CONSULTANT for the services provided under this Agreement, and CONSULTANT agrees to accept in full satisfaction for such services, a sum not to exceed SIXTY THOUSAND DOLLARS (\$60,000.00). CITY shall not withhold applicable federal or state payroll or any other required taxes or other authorized deductions from each payment made to CONSULTANT. No claims for compensation in excess of the not-to-exceed amount for the Project will be allowed unless such compensation is approved by the City Administrator, in writing.

B. Additional Services. No claims for additional services performed by CONSULTANT which are beyond the scope set forth in Exhibit A will be allowed unless such additional work is authorized by CITY in writing prior to the performance of such services. Additional services, if any are authorized, shall be compensated on a time and materials basis using CONSULTANT's Approved Fee Schedule (Exhibit B). Fees for such additional services shall be paid within thirty (30) days of the date CONSULTANT issues an invoice to CITY for such services.

8. METHOD OF PAYMENT

CONSULTANT shall submit to CITY an invoice, on a monthly basis, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Such itemizations shall include the days worked, number of hours worked by position, and authorized reimbursable expenses incurred with appropriate back-up documentation and receipts evidencing the authorized expenses, if any, for each day in the period and shall separately describe any additional services authorized by CITY. Any invoice claiming compensation for additional services shall include appropriate documentation of CITY's prior authorization. Within ten (10) business days of receipt of each invoice, CITY shall notify CONSULTANT in writing of any disputed amounts included on the invoice. Within thirty (30) calendar days of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice up to the maximum amount set forth in Section 7.

9. OWNERSHIP OF WORK PRODUCT

All reports, documents or other written material ("written products") developed by CONSULTANT in the performance of this Agreement shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. CONSULTANT may take and retain such copies of the written products as desired, but no such written products shall be the subject of a copyright application by CONSULTANT.

10. TRAVEL REIMBURSEMENT

Travel required by CONSULTANT or any subconsultant or subcontractor pursuant to this Agreement shall be a reimbursable expense and shall only be made where necessary to complete the services agreed to be performed under this Agreement. Travel expenses shall be reasonable and shall be incurred in the most cost efficient manner possible. CITY will not pay for travel expenses to and from City Hall. All requests for travel reimbursement shall be accompanied by appropriate back-up documentation and receipts evidencing authorized expenses.

11. INDEPENDENT CONTRACTOR

CONSULTANT will act hereunder as an independent contractor. This Agreement shall not and is not intended to constitute CONSULTANT as an agent, servant, or employee of CITY and shall not and is not intended to create the relationship of partnership, joint venture or association between CITY and CONSULTANT.

12. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONSULTANT without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required or necessary to provide the services under this Agreement. All CITY data shall be returned to CITY upon the termination of this Agreement. CONSULTANT's covenant under this Section shall survive the termination of this Agreement.

13. CONFLICTS OF INTEREST

CONSULTANT hereby warrants for itself, its employees, and subcontractors that those persons presently have no interest and shall not obtain any interest, direct or indirect, which would conflict in any manner with the performance of the services contemplated by this Agreement. No person having such conflicting interest shall be employed by or associated with CONSULTANT in connection with this project. CONSULTANT hereby warrants for itself, its employees, and subcontractors that no such person shall engage in any conduct which would constitute a conflict of interest under any CITY ordinance, state law or federal statute. CONSULTANT agrees that a clause substantially similar to this Section shall be incorporated into any sub-contract that CONSULTANT executes in connection with the performance of this Agreement.

14. INDEMNIFICATION

A. To the full extent permitted by law, CONSULTANT shall indemnify, hold harmless and defend CITY, its elected officials, officers, agents, employees, attorneys, servants, volunteers, successors and assigns from and against any and all claims, demands, causes of action, liability, losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent or otherwise wrongful acts, errors or omissions of CONSULTANT or any of its officers, employees, servants,

agents, subcontractors, volunteers or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY'S choice.

The parties understand and agree that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

B. CONSULTANT's obligations under this or any other provision of this Agreement will not be limited by the provisions of any workers compensation act or similar act. CONSULTANT expressly waives its statutory immunity under such statutes or laws as to CITY, its officers, agents, employees and volunteers.

C. CONSULTANT agrees to obtain executed indemnity agreements with provisions identical to those in this Section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. In the event CONSULTANT fails to obtain such indemnity obligations for the benefit of CITY, CONSULTANT agrees to be fully responsible and indemnify, hold harmless and defend CITY, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged, intentional, reckless, negligent or otherwise wrongful acts, errors or omissions of CONSULTANT or any of its officers, employees, servants, agents, subcontractors, volunteers or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY's choice.

D. CITY does not, and shall not; waive any rights that it may possess against CONSULTANT because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense. CONSULTANT agrees that CONSULTANT's covenant under this Section shall survive the termination of this Agreement.

E. CONSULTANT agrees to pay all required taxes on amounts paid to CONSULTANT under this Agreement, and to indemnify and hold CITY harmless from any and all taxes, assessments, penalties, and interest asserted against CITY by reason of the independent contractor relationship created by this Agreement. CONSULTANT shall fully comply with the workers' compensation laws regarding CONSULTANT and CONSULTANT's employees. CONSULTANT further agrees to indemnify and hold CITY harmless from any failure of CONSULTANT to comply with applicable workers' compensation laws. CITY shall have the right to offset against the amount of any fees due to CONSULTANT under this Agreement any amount due to CITY from CONSULTANT as a result of CONSULTANT's failure to promptly pay to CITY any reimbursement or indemnification arising under this Section.

15. INSURANCE

A. CONSULTANT shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1. Commercial General Liability Insurance with minimum limits of One Million Dollars (\$1,000,000) for each occurrence and in the aggregate for any personal injury, death, loss or damage.
2. Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
3. Worker's Compensation insurance as required by the State of California.
4. Professional Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per occurrence.

B. CONSULTANT shall require each of its sub-consultants or sub-contractors to maintain insurance coverage that meets all of the requirements of this Agreement.

C. The policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

D. CONSULTANT agrees that if it does not keep the insurance required in this Agreement in full force and effect, CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CONSULTANT'S expense, the premium thereon.

E. Prior to commencement of work under this Agreement, CONSULTANT shall file with CITY's Risk Manager a certificate or certificates of insurance showing that the insurance policies are in effect and satisfy the required amounts and specifications required pursuant to this Agreement.

F. CONSULTANT shall provide proof that policies of insurance expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

G. The general liability and automobile policies of insurance shall contain an endorsement naming CITY, its elected officials, officers, agents, employees, attorneys, servants, volunteers, successors and assigns as additional insureds. All of the policies shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days' prior written notice to CITY. CONSULTANT agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to

mail written notice of cancellation imposes no obligation, and to delete the word “endeavor” with regard to any notice provisions.

H. The insurance provided by CONSULTANT shall be primary to any other coverage available to CITY. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or volunteers, shall be in excess of CONSULTANT’s insurance and shall not contribute with it.

I. All insurance coverage provided pursuant to this Agreement shall not prohibit CONSULTANT, and CONSULTANT’s employees, agents, subcontractors, or volunteers from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY.

J. Any deductibles or self-insured retentions must be approved by CITY. At the option of CITY, CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

K. If CONSULTANT is a Limited Liability Company, general liability coverage must be amended so that the Limited Liability Company and its managers, affiliates, employees, agents, and other persons necessary or incidental to its operation are insureds.

L. Procurement of insurance by CONSULTANT shall not be construed as a limitation of CONSULTANT’s liability or as full performance of CONSULTANT’s duties to indemnify, hold harmless and defend under Section 14 of this Agreement.

16. MUTUAL COOPERATION

A. CITY shall provide CONSULTANT with all pertinent data, documents and other requested information as is reasonably available for the proper performance of CONSULTANT’s services.

B. In the event any claim or action is brought against CITY relating to CONSULTANT’s performance in connection with this Agreement, CONSULTANT shall render any reasonable assistance that CITY may require.

17. RECORDS AND INSPECTIONS

CONSULTANT shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three (3) years. CITY shall have access, without charge, upon reasonable notice, during normal business hours to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all program data, documents, proceedings, and activities.

18. TERMINATION OF AGREEMENT

A. CITY shall have the right to terminate this Agreement for any reason or for no reason on five (5) calendar days' written notice to CONSULTANT. CONSULTANT shall have the right to terminate this Agreement for any reason or no reason on ten (10) calendar days' written notice to CITY. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of such notice. All completed and uncompleted products up to the date of receipt of written notice of termination shall become the property of CITY.

B. In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by CONSULTANT, CONSULTANT shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall CONSULTANT be entitled to receive more than the amount that would be paid to CONSULTANT for the full performance of the services required by this Agreement.

19. FORCE MAJEURE

CONSULTANT shall not be liable for any failure to perform if CONSULTANT presents acceptable evidence, in CITY's sole judgment that such failure was due to causes beyond the control, and without the fault or negligence of CONSULTANT.

20. 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 or overnight courier service during CONSULTANT's and CITY's regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid, to the addresses heretofore below, or to such other addresses as the parties may, from time to time, designate in writing.

If to CITY:

Attn: Ron Ruiz, Public Works Director
City of San Fernando
117 Macneil Street
San Fernando, California 91340
Telephone: (818) 898-1222
Facsimile: (818) 361-6728

If to CONSULTANT:

Attn:
GENERAL PUMP COMPANY INC.
159 N. Acacia Street
San Dimas, CA 91773
Telephone: (909) 599-9606
Facsimile: (909) 599-6238

With a courtesy copy to:

Maribel S. Medina, City Attorney
Meyers Nave
633 West 5th Street, Suite 1700
Los Angeles, CA 90071
Telephone: (213) 626-2906
Facsimile: (213) 626-0215

21. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

In the performance of this Agreement, CONSULTANT shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation or other basis prohibited by law. CONSULTANT will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation.

22. PROHIBITION AGAINST ASSIGNMENT

CONSULTANT shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without CITY's prior written consent, and any attempt to do so shall be void and of no effect. CITY shall not be obligated or liable under this Agreement to any party other than CONSULTANT.

23. ATTORNEY'S FEES

In the event that CITY or CONSULTANT commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover its costs of suit, including reasonable attorney's fees.

24. ENTIRE AGREEMENT

All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and provisions of any document incorporated by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between CITY and CONSULTANT with respect to the subject matter herein. No other prior oral or written agreements are binding on the parties. Any modification of this Agreement will be effective only if it is in writing and executed by CITY and CONSULTANT.

25. GOVERNING LAW; JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event of litigation between the parties, venue in State trial courts shall lie exclusively in Los Angeles County. In the event of litigation in a United States District Court, exclusive venue shall lie in the Central District of California.

26. SEVERABILITY

Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.

27. CAPTIONS

The captions used in this Agreement are solely for reference and the convenience of the parties. The captions are not a part of the Agreement, in no way bind, limit, or describe the scope or intent of any provision, and shall have no effect upon the construction or interpretation of any provision herein.

28. EXECUTION

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CITY OF SAN FERNANDO

GENERAL PUMP COMPANY INC.

Don Penman
Interim City Administrator

By: _____

ATTEST:

Elena G. Chávez
City Clerk

APPROVED AS TO FORM:

Maribel S. Medina
City Attorney

EXHIBIT "A"**GENERAL PUMP COMPANY INC.****Scope of Services****Pump Removal**

1. Contractors shall megger the motor while in place and collect any additional water quality samples that may be required for lab analysis. After which, the motor, discharge head, column pipe, shaft and pump shall be removed from the well. If appropriate, a down-hole spinner survey shall be conducted to show different production rates in well screen sections.
2. When removing an oil lube well, the column pipe and shaft shall be placed on timbers and plastic sheeting followed by inspection of the column, column threads and collars for corrosion. The oil tube and line shaft shall also be laid out neatly on timbers and plastic and each line shaft bearing shall be tested with a "Go-No-Go" device such as a shaft with two diameters, one that fits acceptable bearings and one that fits an over-worn bearing. Each line shaft bearing shall not have worn more than 0.016" from its original inside diameter. All equipment shall be protected from rolling and the entire site shall be protected from oil contamination. As an alternative to inspecting the equipment on-site, the column tube and shaft can be transported to the contractor's facility for inspection at a later time.
3. When removing a water lube well, the Contractor shall inspect the pre-lube system then remove the column pipe and shaft which shall be placed on timbers and plastic sheeting. The column pipe, column threads and collars shall be inspected for corrosion. The line shaft shall also be laid out neatly on timbers and plastic and each line shaft journal shall be checked for wear and straightness and the shaft couplings shall be checked for thread wear and cracks. Each bronze spider and rubber insert shall be inspected for wear. As with oil lube wells, the removed column and shaft can be transported to the Contractor's facility for inspection at a later time.
4. Contractor shall measure and log the total depth of the well and static water level.
5. Contractor shall transport the motor and pump equipment to Contractor's service yard for inspection.
6. Contractor shall perform a color video survey that includes down-hole and side-scan without the use of mirrors. A down-hole and side-scan video log of the well shall be performed for the full length of the well such that, at any given time during the log, it is possible to switch from down-hole to side-scan. A screen display constantly indicating the depth of the camera shall be recorded on the video display. Contractor shall assure that a clear video is obtained. If the video is not acceptable to City, Contractor shall treat the water and re-video the well at Contractor's expense. Two (2) DVD copies of the video survey shall be provided to the Superintendent.

7. A written Assessment Report including digital photographs of all removed equipment shall be furnished to the Public Works Director or his designee at the conclusion of the "remove, tear down and inspection" phase of the project.
8. After the pump removal and video survey have been completed and the required reports are submitted to the Public Works Director or his designee, City shall meet with Contractor to make applicable decisions concerning repair/rehabilitation and re-installation.
9. Contractor shall then be requested to provide a written estimate of cost and time to complete the work as required and directed by the Public Works Director or his designee.

Well Rehabilitation

1. Depending on the condition of the well and equipment, the following items will or may be part of the scope of work.
 - Disassemble pump, column pipe and shaft assemblies into basic components. Oil tubes will be disassembled into 5-foot joints and shafts protected from rusting.
 - Clean and/or run threads of bronze oil tube bushings, oil tubing, shaft and column pipe.
 - Clean and if applicable, repair water well casings.
 - Dress the ends of the entire column pipe, and oil tubes.
 - Machine or replace head shaft to accommodate new length of column and tubing.
 - Replace worn bearings, shafting, couplings, pump bowls, impellers, bowl bearings, etc.
 - Machine and install bowl and/or impeller(s) wear rings to bring the bowls back into factory tolerance.
 - Cleaning and/or rehabilitation of the well which may include Sonar Jet, physical agitation, jetting, swabbing, chemical treatment, airlift removal of chemicals and debris, disinfection, etc.. Work shall be limited to non-proprietary products and methods, and all processes are subject to approval by the City prior to use.
 - Perform wire brushing through the entire length of the well. No rotary brushes will be allowed. All brushing shall be performed using a cable tool rig or rig equipped with rocker arm.
 - Video record well second time after well rehab/cleaning (may require debris settlement period). Provide two (2) DVD copies of the video survey.
2. Contractor shall remove fill material from the entire depth of the well by airlifting or bailing, and unless pre-approved, all material shall be removed from site and properly disposed.
3. Contractor shall comply with all National Pollutant Discharge Elimination System (NPDES) permit requirements specific to the well being rehabilitated and Discharges

of Groundwater from Potable Water Supply Wells to Surface Waters in Coastal Watersheds of Los Angeles County.

Pump Installation

1. At the conclusion of the well rehabilitation, the Contractor shall:
 - Sterilize and install pump equipment into the well with a minimum 1-inch flush thread PVC sounding tube and a continuous ¼-inch stainless steel airline and test to verify operation.
 - Calculate and machine new top tube, head shaft, bronze adjusting nut and steel gib key if required.
 - Reconnect electrical power, check motor rotation and witness well startup.
 - Check and log motor and pump vibration using an electronic vibra-meter and repair abnormal vibration.
 - Inspect and verify alignment.
 - Contractor to perform well treatment and well disinfection as required to bring well into compliance with Department of Health Services' requirements. Normal tasking shall hold Contractor responsible until the well complies with Department of Health standards. Contractor shall be expected to use best practices of industry.
 - Contractor shall clean well site by removing well rehabilitation debris and oil residue in preparation for repainting.
 - At the completion of the rehabilitation, the Contractor, Superintendent or his onsite representative, shall arrange for well hydraulic testing performed by LA Department of Water and Power and/or Southern California Edison to confirm the overall plant efficiency. Overall well plant efficiencies shall, at a minimum, meet industry standards of 70% after well rehabilitation. In the event the well does not meet the 70% efficiency standard, the contractor shall correct the well deficiency at no additional cost to City.

Maintenance

1. Provide recommended preventative maintenance program for each piece of equipment at each site.
2. Provide recommendations for future upgrades and or improvements.
3. Prepare detailed cost break-down reports (Hard Copy and Electronic Formats) for any repair, improvement and or analysis conducted by contractor.

Inspection

1. All work shall be subject to approval by the Superintendent or his onsite representative. Contractor will be required to correct all work that does not comply with the intent of the specifications and rehabilitation scope of work.

Workmanship and Property Protection

1. Contractor is responsible for:
 - Providing the best quality of workmanship performed by and under the supervision of trained operators and the project manager.
 - The protection of all adjacent areas and surfaces from damage from power equipment or other well repair/rehabilitation activities.
 - Immediately cleaning up all accidental spillage of any materials and restore the affected area to its original condition.

Warranty

1. Contractor shall warrant all workmanship and materials for two years from the date of project acceptance. All deficiencies will be corrected at no cost to City.

**EXHIBIT "B"****(Effective December 1, 2012)**

3-Man Crew & Standard Pump Pulling Rig	\$279.00 per Hour
1 Operator & 40-Ton Crane	\$200.00 per Hour
1-Man Crew, Service Support Rig for the 40-Ton Crane	\$ 89.00 per Hour
2-Man Crew & Combination Rig	\$259.00 per Hour
2-Man Crew & Standard Pump Pulling Rig	\$209.00 per Hour
Wire Brush or Swab Rental	\$450.00 Each
Flatbed Truck & Driver	\$ 99.00 per Hour
Rotary Crane (up to 17-ton) & 1-Man Crew	\$175.00 per Hour
Rotary Crane & 2-Man Crew	\$245.00 per Hour
Service Truck & 1 Pump Mechanic, Electrician or General Services	\$125.00 per Hour
Service Truck & 1 Pump Mechanic & Helper	\$205.00 per Hour
Shop Labor – Pump Mechanic	\$80.00 per Hour
Shop Labor – Machinist or Welder	\$80.00 per Hour
Overtime & Saturdays	Add \$55.00/Man Hour
Sundays & Holidays	Add \$110.00 per Man Hour
Control & Instrument Specialist	\$130.00 per Hour
Additional Helper	\$ 70.00 per Hour
Video Log – Color with Downhole and Side-Scan	\$1,000.00 per DVD
Dynamic Video with Mini Camera	\$1,500.00 per DVD
Dynamic Video with Engineering or Hydrogeology Support	\$1,950.00 per DVD
Test Pump – Above 300-Hp Engine	\$200.00 per Hour
Test Pump – Below 300-Hp Engine	\$180.00 per Hour
1-Man Crew & Chemical Distribution Trailer, Large	\$200.00 per Hour
1-Man Crew & Chemical Distribution Trailer, Small	\$180.00 per Hour
Engineering and Hydrogeology Support	Per Job Basis

FIELD RATES ARE PORTAL TO PORTAL

For additional information on *General Pump Company, Inc.* or to speak with one of our qualified Engineers, please contact us at:

GENERAL PUMP COMPANY, INC.

159 North Acacia Street, San Dimas, California 91773

Phone: (909) 599-9606 • Fax: (909) 599-6238 • E-mail: engineering@genpump.com

ATTACHMENT "B"

**General Pump Company, Inc.
Facilities Tour
December 12, 2012**



Tri County Pump Company



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PUBLIC WORKS DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator
By: Ron Ruiz, Public Works Director

DATE: February 19, 2013

SUBJECT: Award of Contract – Park Avenue Street Improvements

RECOMMENDATION:

It is recommended that the City Council:

- a. Accept the lowest responsive bid from Toro Enterprises Inc. for construction of these improvements;
- b. Authorize the City Administrator to execute a Construction Contract with Toro Enterprises Inc. (Attachment “A”) for an amount not to exceed \$164,725; and
- c. Authorize the City Administrator to approve change orders not to exceed 10% of contract amount.

BACKGROUND:

1. On December 14, 2012, as required by the Public Contracts Code, the project was advertised in various publications including the Daily News, Bid America, and Bid Net.
2. On January 17, 2013, the City Clerk received and opened six bids for construction

ANALYSIS:

Project Overview

This report is to award a contract for Phase IV of the Park Avenue Street/Sidewalk Improvement Project, the final phase of an ongoing project. This phase of the project will consist of grinding and overlaying the street, constructing a pair of access ramps, and restriping the parking stalls and centerline on Park Avenue between First Street and Fourth Street.

Award of Contract – Park Avenue Street Improvements

Page 2

Funding for this project is generated from three funding sources: Fund 08 (Prop C), Fund 12 (Measure R) and Fund 50 (Pavement Management). Prop C and Measure R funds are each ½ cent taxes on Los Angeles County retail sales which are then provided to the City. Pavement Management funds are fees received from the refuse hauler contracted with the City to repair pavement impacts caused by the refuse vehicles which traverse the City on a frequent basis.

Phase III of the Park Avenue Street/Sidewalk Improvement Project consisted of constructing a new sidewalk on the westside of Park Avenue, landscaping and irrigation, installing pedestrian lights, signage, a retaining wall, and a street median.

Phase II of the Park Avenue Street/Sidewalk Improvement Project included the undergrounding of utilities between First Street and Fourth Street. Southern California Edison, Time Warner Cable, and Verizon Telecommunications all removed overhead cables and poles as part of this project by placing all their cabling underground. This phase of the work was completed in early April 2011.

Phase I of the Park Avenue Street/Sidewalk Improvement Project consisted of constructing a bulbout on the northeasterly corner of Park Avenue and First Street. The work was performed in-house by the City Street Maintenance crew. This phase also involved the City Electrical Division forming and pouring footings and erecting poles in anticipation of the work that was performed in Phase II. The poles installed in-house were on the east side of Park Avenue from First Street to 208 Park Avenue adjacent to the Recreation Building.

Outreach

Outreach efforts will include a construction project flyer which will be delivered to all affected residents and businesses. The flyer will provide information about the project and City contact information. Other steps include posting information concerning the project on the City's website as well as information provided on the City's radio station 1690AM, and posted information on the City's lighted message boards placed within the vicinities of the project.

Project Timeline

The project was originally scheduled for construction in the Spring of 2012. However, due to the construction of a private development at 131 Park Avenue, this street project was rescheduled to start after completion of the private development. The private development involves the use of heavy trucks traveling on the Park Avenue street project site, which would adversely affect new street improvements.

With an award of contract, this project will now commence in late March/early April 2013 with a forty-five (45) calendar day contract time. This will allow for the San Fernando Regional Pool Facility to open its doors for the Summer 2013 season on Memorial Day weekend without any disruption.

Award of Contract – Park Avenue Street Improvements

Page 3

Bid Results

The table below is a summary of the bids received for the project:

RANK	BIDDER	BID AMOUNT
1	Toro Enterprises Inc.	\$164,725.00
2	All American Asphalt	\$180,000.00
3	Sully-Miller Contracting Co.	\$185,872.00
4	Hardy & Harper, Inc.	\$188,000.00
5	Silvia Construction, Inc.	\$200,635.00
6	Palp, Inc. DBA Excel Paving Company	\$227,889.00

The lowest responsive bidder is Toro Enterprises Inc. of Oxnard. This contractor has completed similar type and size project for the cities of San Fernando, Oxnard, Santa Clarita, Simi Valley, Burbank, and Ventura. Staff checked the contractor's references and found the contractor performed in an acceptable manner for these other agencies.

CONCLUSION:

Staff has analyzed the project, funding, and construction bids. Staff recommends award of the construction contract to the lowest responsive bidder, Toro Enterprises Inc.

BUDGET IMPACT:

The following table summarizes the budgeted funds and proposed expenditures included in the Fiscal Year (FY) 2012-2013 City Budget:

BUDGETED FUNDS FY 2012-2013	
Fund 8 - Prop C	\$126,774
Fund 12 - Measure R	\$113,410
Fund 50 - Pavement Impact	\$128,481
Total Funding Available	\$368,665
PROPOSED EXPENDITURES	
Construction Contract	\$164,725
10 % Contingency	\$16,473
Inspection (will be performed in-house)	\$0
Total Expenses	\$181,198

Award of Contract – Park Avenue Street Improvements
Page 4

ATTACHMENT:

A. Contract

ATTACHMENT "A"

CONSTRUCTION CONTRACT / AGREEMENT
FOR PUBLIC WORKS PROJECT
CITY OF SAN FERNANDO

THIS AGREEMENT, made and entered into this 19th day of February, 2013, by and between CITY OF SAN FERNANDO, a municipal corporation of the State of California, hereinafter referred to as "CITY" and Toro Enterprises Inc. "CONTRACTOR."

WITNESSETH:

That the CITY and the CONTRACTOR, for the consideration hereinafter named, mutually agree as follows:

1. The complete contract consists of the Contract Documents which includes all of the following documents incorporated herein by this reference: Approved Specifications and Plans (**Job No. 7577, Plan No. 713**), Notice Inviting Bids, Instructions to Bidders, Contractor's Proposal, Contract/Agreement, Special Provisions, Technical Provisions, and all modifications and amendments thereto.

2. CONTRACTOR shall perform everything required to be performed, shall provide and furnish all the labor, materials, necessary tools, expendable equipment, and all utility and transportation services required for the following work of improvement: _____

PARK AVENUE STREET IMPROVEMENTS – JOB NO. 7577 (the "Work of Improvement") all in accordance with the Contract Documents and Contractor's Proposal dated December 12, 2012.

CONTRACTOR agrees to perform all the work and furnish all the materials at his own cost and expense necessary to construct and complete in a good and workman-like manner and to the satisfaction of the City Engineer of the CITY, the Work of Improvement in accordance with the plans, specifications, and Contract Documents (the "Specifications") therefore prepared by City's Engineering Department and adopted by the City Council.

3. CITY agrees to pay and CONTRACTOR agrees to accept in full payment for this Work of Improvement the stipulated sum ONE HUNDRED SIXTY-FOUR THOUSAND, SEVEN HUNDRED TWENTY-FIVE Dollars NO CENTS (\$164,725.00).

CITY agrees to make monthly payments and final payment in accordance with the method set forth in the Specifications.

4. CONTRACTOR agrees to commence construction of the Work of Improvement within ten (10) days after issuance of a Notice to Proceed, and to continue in a diligent and workman-like manner without interruption, and to complete the construction thereof within FORTY-FIVE (45) calendar days from the date the Notice to Proceed is issued.

5. Time is of essence of this Contract, and it is agreed that it would be impracticable or extremely difficult to ascertain the extent of actual loss or damage which the CITY will sustain by reason of any delay in the performance of this Agreement. It is, therefore, agreed that CONTRACTOR will pay as liquidated damages to the CITY the following sum: Five Hundred Dollars (\$500.00) for each day's delay beyond the time herein prescribed for finishing work. If liquidated damages are not paid, as designated by the CITY, the CITY may deduct the amount thereof from any money due or that may become due the CONTRACTOR under this Agreement in addition to any other remedy available to CITY. The CONTRACTOR shall not be assessed liquidated damages for any delay caused by the failure of a public utility to relocate or remove an existing utility required for the performance of this Contract.

6. The CONTRACTOR will pay, and will require all subcontractors to pay, all employees on the work of improvement a salary or wage at least equal to the prevailing salary or wage established for such work as set forth in the wage determinations for this work. Travel and subsistence pay shall be paid in accordance with Labor Code Section 1773.8. The CONTRACTOR shall forfeit to the CITY, as penalty, Fifty Dollars (\$50.00) for each calendar day or portion thereof for each worker paid (either by him or any subcontractors under him) less than the prevailing rate described above on the work provided for in this Agreement, all in accordance with Section 1775 of the Labor Code of the State of California.

7. In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and the CONTRACTOR shall not require more than eight (8) hours in a day from any person employed by him hereunder, except as provided in the Labor Code of the State of California. The CONTRACTOR shall adhere to Article 3, Chapter 1, Part 7 (Sections 1810, et seq.) of the Labor Code of the State of California, and it is agreed that the CONTRACTOR shall forfeit to the CITY as a penalty the sum of Five Hundred Dollars (\$500.00) for each worker employed in the execution of this Contract by the CONTRACTOR or any subcontractor for each calendar day during which any worker is required or permitted to labor more than eight (8) hours in violation of that article.

8. CONTRACTOR, by executing this Agreement hereby certifies:
"I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Contract."

9. CONTRACTOR shall, prior to the execution of this Contract, furnish two bonds approved by the CITY, one in the amount of One Hundred Percent (100%) of the Contract price, to guarantee the faithful performance of the work, and one in the amount of One Hundred Percent (100%) of the Contract price to guarantee payment of all claims for labor and materials furnished. This Contract shall not become effective until such bonds are supplied to and approved by the CITY. CONTRACTOR shall, prior to the release of the performance and payment bonds or the retention payment, furnish a warranty performance and payment bond equal to at least ten percent of the final contract price or \$1,000, whichever is greater.

IN WITNESS WHEREOF, the said CONTRACTOR and the CITY ADMINISTRATOR and CITY CLERK of the CITY have caused the names of said parties to be affixed hereto, each in triplicate, the day and year first above written.

TORO ENTERPRISES, INC.
2012 East Ventura Boulevard
Oxnard, CA 93036

CONTRACTOR

BY _____

(Title)

BY _____

CITY OF SAN FERNANDO
A Municipal Corporation

Don Penman
Interim City Administrator

ATTEST:

Elena G. Chávez
City Clerk

APPROVED AS TO FORM:

Maribel S. Medina
City Attorney

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RECREATION AND COMMUNITY SERVICES DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator
By: Ismael Aguila, Recreation and Community Services Operations Manager

DATE: February 19, 2013

SUBJECT: Award of Contract for Variable Frequency Drives at the Pool Facility

RECOMMENDATION:

It is recommended that the City Council:

- a. Award a Contract to Sea Clear Pools, Inc. for the purchase and installation of Variable Frequency Drives (VFD) at the San Fernando Regional Pool Facility (Pool Facility);
- b. Authorize the Interim City Administrator to execute a Construction Contract/Agreement (Attachment "A") with Sea Clear Pools, Inc. that shall not exceed \$23,696.84; and
- c. Adopt a Resolution (Attachment "B") approving an allocation of Quimby Funds for a pump upgrade at the San Fernando Regional Pool Facility (Pool Facility) in an amount of \$11,848.42.

BACKGROUND:

1. Since 2011, the Public Works Department (PW) and the Recreation and Community Services Department (RCS) have been exploring opportunities to reduce energy costs for the Pool Facility.
2. On June 25, 2012, the PW Director and Aquatics Supervisor met with the non-profit team Southern California Regional Energy Center (SoCalREC) to discuss the financial and technical feasibility of reducing the energy use of the pool circulation system.
3. In August 2012, the Aquatics Supervisor invited pool contractors pre-qualified by SoCalREC through an open and competitive procurement process to perform a site visit and submit firm quotes for installing one variable frequency drive (VFD) each for the 25 and 50 horsepower pool motors.

Award of Contract for Variable Frequency Drives at the Pool Facility

Page 2

4. In August and September 2012, the Aquatics Supervisor received VFD installation quotes from four vendors.
5. In October 2012, the Aquatics Supervisor engaged in contract negotiations with the lowest bidder, Sea Clear Pools, Inc. regarding the installation of the VFDs.
6. On October 29, 2012, Sea Clear Pools, Inc. submitted an updated quote, with the same price, but making an adjustment on a typo.
7. Since June 2012, the Aquatics Supervisor and team have been engaged with both SoCalREC and Sea Clear Pools to finalize paperwork to obtain utility incentives for the VFD installation.
8. Since December 2012, the Aquatics Supervisor has been finalizing a draft of the contract with Sea Clear Pools for the City's Attorney to review.

ANALYSIS:

Southern California Regional Energy Center (SoCalREC)

SoCalREC is a not-for-profit program established by the County of Los Angeles and the City of Huntington Beach, with support from Southern California Edison and the Department of Energy that helps local governments reduce energy use at their facilities.

Responding to high demand for single energy efficiency measures at municipal facilities across the region, SoCalREC has developed an initiative to streamline the procurement process for these services to save time and resources for local governments. By taking an aggregated procurement approach, SoCalREC offers the following benefits to cities at no cost:

- (1) Time saved by obtaining firm quotations from only pre-qualified vendors to perform energy efficiency services. This short list of vendors has already been vetted by the SoCalREC team through an open and competitive procurement process that aligns with local government guidelines;
- (2) Access to established bid documents; and
- (3) Decreased impact on staff time by receiving assistance in performing energy and cost savings calculations and completion of the utility incentive application for the energy efficiency measure.

The City has received the above mentioned services free of cost from SoCalREC. Additional local government agencies across the region that have also benefited from SoCalREC's services include, but are not limited to: Los Angeles County, City of Baldwin Park, City of Duarte, City of Monterey Park, City of Palmdale, City of Pomona, and the City of Santa Monica.

SoCalREC's Pool Pump VFD Aggregated Measure Initiative

Award of Contract for Variable Frequency Drives at the Pool Facility

Page 3

On May 15, 2012, SoCalREC released a Request for Quotation (RFQ) for pool pump variable frequency drive (VFD) installation services. The RFQ was sent out directly to 50+ pool contractors in the region as well as posted publically on the SoCalREC website. Utilizing a transparent and rigorous process, on June 8, 2012 the SoCalREC team selected six qualified vendors that could service public agencies throughout the region. By pre-vetting qualified pool pump VFD installation contractors, cities can save time by directly requesting a firm quotation from this short list of vendors and not spend the extra staff time and resources by issuing their own open RFQ.

Sea Clear Pools, Inc.

In August 2012, the City staff invited six SoCalREC qualified vendors to perform a site visit of the existing pool and conditions and provide a firm quotation for VFDs. The City received four quotations as a result and City staff selected Sea Clear Pools, Inc. as the lowest qualified bidder (see Table 1 below). Sea Clear Pools has been servicing commercial and municipal businesses since 1997. The company carries a C-53 Swimming Pool and a D-35 Pool and Spa Maintenance license and they are both insured and bonded. Sea Clear Pools has also provided the City pool maintenance services in the past as the work has been satisfactory.

Table 1: Bids Received

Contractor	Competitive Pool (50 HP motor)	Recreation Pool (25 HP motor)	Total Cost	Product proposed (all meet specs)
Sea Clear Pools, Inc.	\$12,869.43	\$10,827.41	\$23,696.84	Pentair Acu-Drive XS
Lincoln Equipment, Inc.	\$13,432.96	\$10,435.81	\$23,868.78	Pentair Acu-Drive XS
Knorr Systems, Inc.	\$12,143.06	\$16,279.43	\$28,422.49	H2O Technologies Smart Pump Control System
Commercial Aquatic Services/ Watermark Energy Reduction			\$31,987.00	H2Flow VFD

Requested equipment and Cost Savings

Sea Clear Pools will be installing one Pentair AcuDrive XS VFD for each of the 25 and 50 HP pool motors for \$23,696.84. The Contractor will also be installing ancillary equipment necessary for the optimal operation of the VFD and the pool circulation system. Factory start-up and training will also be included in the cost. The City will be billed \$23,696.84 upon completion of the Construction Contract/Agreement; however, as a client of Southern California Edison (SCE), the City is eligible to receive an estimated calculated incentive/rebate amount of 50% of the total project cost, or \$11,848.42. The City will pay the Contractor \$11,848.42 at the completion of the project and an additional \$11,848.42 when the rebates are received.

The RCS Department and SoCalREC are currently working together to finalize the SCE incentive/rebate application to receive approval for the incentive/rebate amount, which is anticipated to be received by March or April of 2013. With the installation of the VFD, the pool circulation system does not have to be working at full capacity when the pool is closed to the public. With the ability to adjust the flow rate to meet the LA County Health Department

Award of Contract for Variable Frequency Drives at the Pool Facility

Page 4

requirements, but not expend extra energy circulating water when it is not needed, the City can anticipate to save \$43,078 annually after the fourth month of the VFD installation (assuming a 50% project cost rebate from SCE) or under the worst case scenario, after the eighth month of the VFD installation (assuming \$0 in rebates from SCE, although highly unlikely). Please see Table 2 below.

Table 2: Project Cost and Savings

Project Summary:	Competitive Pool (50 HP motor)	Recreation Pool (25 HP motor)	Total
Project cost	\$12,869.43	\$10,827.41	\$23,696.84
Utility rebate*	\$6,434.72	\$5,413.71	\$11,848.43
Project cost after rebate	\$6,434.72	\$5,413.71	\$11,848.43
kWh savings/yr.*	184,700	146,667	331,367
Current energy cost/yr*	\$45,140.53	\$23,160.98	\$68,301.51
Projected energy cost /yr.*	\$21,129.54	\$4,094.32	\$25,223.86
Total projected energy cost saving/yr*	\$24,010.99	\$19,066.66	\$43,077.65
Simple payback period	3 months	4 months	

* Calculated cost savings based on provided information and educated assumptions.

CONCLUSION:

Approval of the Construction Contract/Agreement will help the City save 331,367 kWh and \$43,078 annually while keeping the pool operating at the Los Angeles County Health Code standards. Staff recommends that the City Council award a contract to Sea Clear Pools, Inc. for the purchase and installation of Variable Frequency Drives at the Pool Facility and authorize the Interim City Administrator to execute a Construction Contract/Agreement with Sea Clear, Inc. Additionally, staff recommends that the City Council adopt a Resolution approving an allocation of Quimby Funds for a pump upgrade at the Pool Facility in an amount of \$11,848.42. It is anticipated that the City will receive an incentive check from SCE after the VFD installation at 50% of the total project cost, or \$11,848.43.

BUDGET IMPACT:

The budget impact to the General Fund will be a savings of \$43,078 annually after the fourth month of the VFD installation (assuming a 50% project cost rebate from SCE) or after the eighth month of the VFD installation (assuming \$0 in rebates from SCE.)

ATTACHMENTS:

- A. Construction Contract/Agreement
- B. Resolution for Quimby Fund

ATTACHMENT "A"

CONSTRUCTION CONTRACT / AGREEMENT
FOR PUBLIC WORKS PROJECT
CITY OF SAN FERNANDO

This Agreement is entered into this 19th day of February, 2013 by and between the City of San Fernando, a municipal corporation ("CITY") and SEA CLEAR POOLS, INC., a California corporation ("CONTRACTOR").

WITNESSETH:

That the CITY and the CONTRACTOR, for the consideration hereinafter named, mutually agree as follows:

1. The complete contract consists of the purchase and installation of two Variable Frequency Drives (VFD) for the San Fernando Regional Pool Facility.

2. CONTRACTOR represents that it is fully qualified to perform the work of improvement by virtue of its experience and the training, education and expertise of its principals and employees. CONTRACTOR further represents that it is willing to accept responsibility for performing such work in accordance with the terms and conditions of this Agreement

3. CONTRACTOR shall perform everything required to be performed, shall provide and furnish all the labor, materials, necessary tools, expendable equipment, and all utility and transportation services required for the following work of improvement: VFD INSTALLATION AT THE SAN FERNANDO REGIONAL POOL FACILITY, LOCATED AT 208 PARK AVE. as are set forth in the "Scope of Work" Exhibit A attached hereto and incorporated herein by this reference.

CONTRACTOR agrees to perform all the work and furnish all the materials at his own cost and expense necessary to construct and complete in a good and workman-like manner and to the satisfaction of the City Engineer of the CITY, the Work of Improvement in accordance with the plans, specifications, and Contract Documents ("Guidelines for Installation of Variable Speed Pumps) as set forth in Exhibit B.

4. CITY agrees to pay and CONTRACTOR agrees to accept in full payment for this Work of Improvement the stipulated sum of TWENTY THREE THOUSAND SIX HUNDRED AND NINETY SIX DOLLARS AND EIGHTY FOUR CENTS (\$23,696.84). CITY shall not withhold applicable federal or state payroll or any other required taxes or other authorized deductions from the payment made to CONTRACTOR. No claims for compensation in excess of the not-to-exceed amount for the Project will be allowed unless such compensation is approved by the City Administrator, in writing.

CONTRACTOR shall submit to CITY an invoice, upon conclusion of the project, for the services performed pursuant to this Agreement. CITY shall pay ELEVEN THOUSAND EIGHT HUNDRED FORTY EIGHT DOLLARS AND FORTY TWO CENTS (\$11,848.42) to

CONTRACTOR within thirty (30) calendar days of receipt of the invoice. CITY shall pay CONTRACTOR the remaining ELEVEN THOUSAND EIGHT HUNDRED FORTY EIGHT DOLLARS AND FORTY TWO CENTS (\$11,848.42) within thirty (30) calendar days upon receipt of incentive/rebate check from Southern California Edison.

4. CONTRACTOR agrees to commence construction of the Work of Improvement within ten (10) days after issuance of a Notice to Proceed, and to continue in a diligent and workman-like manner without interruption, and to complete the construction thereof within TEN (10) calendar days from the date the Notice to Proceed is issued.

5. Time is of essence of this Contract, and it is agreed that it would be impracticable or extremely difficult to ascertain the extent of actual loss or damage which the CITY will sustain by reason of any delay in the performance of this Agreement. It is, therefore, agreed that CONTRACTOR will pay as liquidated damages to the CITY the following sum: Five Hundred Dollars (\$500.00) for each day's delay beyond the time herein prescribed for finishing work. If liquidated damages are not paid, as designated by the CITY, the CITY may deduct the amount thereof from any money due or that may become due the CONTRACTOR under this Agreement in addition to any other remedy available to CITY. The CONTRACTOR shall not be assessed liquidated damages for any delay caused by the failure of a public utility to relocate or remove an existing utility required for the performance of this Contract.

6. For the purposes of this Agreement, the contract administrator and CITY representative shall be the City Recreation Operations Manager (hereinafter the "City Representative"). It shall be the CONTRACTOR responsibility to assure that the City Representative is kept informed of the progress of the performance of the services, and CONTRACTOR shall refer any decisions which must be made by CITY to the City Representative. Unless otherwise specified herein, any approval of CITY required hereunder shall mean the approval of the City Representative.

For the purposes of this Agreement, Bill Clevenger, Owner is hereby designated as the principal and representative of CONTRACTOR authorized to act on its behalf with respect to the services specified herein and make all decisions in connection therewith (the "Responsible Principal"). The Responsible Principal may not be changed by CONTRACTOR without the prior written approval of CITY.

7. CONTRACTOR shall be responsible for payment of all employees' and sub-CONTRACTORS' wages and benefits and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security.

CONTRACTOR shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a City of San Fernando business license.

8. In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and the CONTRACTOR shall not require more than eight (8) hours in a day from any person employed by him hereunder, except as provided in the Labor Code of the State of

California. The CONTRACTOR shall adhere to Article 3, Chapter 1, Part 7 (Sections 1810, et seq.) of the Labor Code of the State of California, and it is agreed that the CONTRACTOR shall forfeit to the CITY as a penalty the sum of Five Hundred Dollars (\$500.00) for each worker employed in the execution of this Contract by the CONTRACTOR or any subcontractor for each calendar day during which any worker is required or permitted to labor more than eight (8) hours in violation of that article.

9. CONTRACTOR, by executing this Agreement hereby certifies:

“I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Worker’s Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Contract.”

10. To the full extent permitted by law, CONTRACTOR shall indemnify, hold harmless and defend CITY, its elected officials, officers, agents, employees, attorneys, servants, volunteers, successors and assigns from and against any and all claims, demands, causes of action, liability, losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent or otherwise wrongful acts, errors or omissions of CONTRACTOR or any of its officers, employees, servants, agents, subcontractors, volunteers or any other person or entity involved by, for, with or on behalf of CONTRACTOR in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys’ fees incurred by counsel of CITY’S choice. The parties understand and agree that the duty of CONTRACTOR to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

CONTRACTOR’s obligations under this or any other provision of this Agreement will not be limited by the provisions of any workers compensation act or similar act. CONTRACTOR expressly waives its statutory immunity under such statutes or laws as to CITY, its officers, agents, employees and volunteers.

CONTRACTOR agrees to obtain executed indemnity agreements with provisions identical to those in this Section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of CONTRACTOR in the performance of this Agreement. In the event CONTRACTOR fails to obtain such indemnity obligations for the benefit of CITY, CONTRACTOR agrees to be fully responsible and indemnify, hold harmless and defend CITY, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged, intentional, reckless, negligent or otherwise wrongful acts, errors or omissions of CONTRACTOR or any of its officers, employees, servants, agents, subcontractors, volunteers or any other person or entity involved by, for, with or on behalf of CONTRACTOR in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys’ fees incurred by counsel of CITY’s choice.

CITY does not, and shall not; waive any rights that it may possess against CONTRACTOR because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and

indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense. CONTRACTOR agrees that CONTRACTOR's covenant under this Section shall survive the termination of this Agreement.

11. CONTRACTOR shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

- Commercial General Liability Insurance with minimum limits of One Million Dollars (\$1,000,000) for each occurrence and in the aggregate for any personal injury, death, loss or damage.
- Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- Worker's Compensation insurance as required by the State of California.
- Professional Liability Insurance with a minimum limit of Two Million Dollars (\$2,000,000) per occurrence.

CONTRACTOR shall require each of its sub-CONTRACTORS or sub-contractors to maintain insurance coverage that meets all of the requirements of this Agreement.

The policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

CONTRACTOR agrees that if it does not keep the insurance required in this Agreement in full force and effect, CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CONTRACTOR'S expense, the premium thereon.

Prior to commencement of work under this Agreement, CONTRACTOR shall file with CITY's Risk Manager a certificate or certificates of insurance showing that the insurance policies are in effect and satisfy the required amounts and specifications required pursuant to this Agreement.

CONTRACTOR shall provide proof that policies of insurance expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

The general liability and automobile policies of insurance shall contain an endorsement naming CITY, its elected officials, officers, agents, employees, attorneys, servants, volunteers, successors and assigns as additional insureds. All of the policies shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days' prior written notice to CITY. CONTRACTOR agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written

notice of cancellation imposes no obligation, and to delete the word “endeavor” with regard to any notice provisions.

The insurance provided by CONTRACTOR shall be primary to any other coverage available to CITY. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or volunteers, shall be in excess of CONTRACTOR’s insurance and shall not contribute with it.

All insurance coverage provided pursuant to this Agreement shall not prohibit CONTRACTOR, and CONTRACTOR’s employees, agents, subcontractors, or volunteers from waiving the right of subrogation prior to a loss. CONTRACTOR hereby waives all rights of subrogation against CITY.

Any deductibles or self-insured retentions must be approved by CITY. At the option of CITY, CONTRACTOR shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONTRACTOR shall procure a bond guaranteeing payment of losses and expenses.

If CONTRACTOR is a Limited Liability Company, general liability coverage must be amended so that the Limited Liability Company and its managers, affiliates, employees, agents, and other persons necessary or incidental to its operation are insureds.

Procurement of insurance by CONTRACTOR shall not be construed as a limitation of CONTRACTOR’s liability or as full performance of CONTRACTOR’s duties to indemnify, hold harmless and defend under Section 14 of this Agreement.

12. CONTRACTOR agrees to include a two (2) year onsite warranty for all material and services provide in Scope of Work.

CONTRACTOR AND CITY agree to the Southern California Edison 2010-2012 Energy Efficiency Calculated Incentive Program Terms and Conditions as set forth in Exhibit C.

IN WITNESS WHEREOF, the said CONTRACTOR and the CITY ADMINISTRATOR and CITY CLERK of the CITY have caused the names of said parties to be affixed hereto, each in triplicate, the day and year first above written.

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (a) the day of delivery if delivered by hand or overnight courier service during CONTRACTOR’s and CITY’s regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid, to the addresses heretofore below, or to such other addresses as the parties may, from time to time, designate in writing.

If to CITY:

Attn: Ismael Aguila, Operations Manager
City of San Fernando
208 Park Ave
San Fernando, California 91340
Telephone: (818) 898-7381
Facsimile: (818) 898-2155

If to CONTRACTOR:

Attn: Bill Clevenger, Owner
SEA CLEAR POOLS, INC.
23316 S. Normandie Ave. Unit B.
Torrance, Ca 90502
Telephone: (310) 891-3073
Facsimile: (310) 891-3079

With a courtesy copy to:

Maribel S. Medina, City Attorney
Meyers Nave
633 West 5th Street, Suite 1700
Los Angeles, CA 90071
Telephone: (213) 626-2906
Facsimile: (213) 626-0215

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CITY OF SAN FERNANDO

CONTRACTOR: SEA CLEAR POOLS, INC.

Don Penman
Interim City Administrator

By: _____
Bill Clevenger
Owner

ATTEST:

Elena G. Chávez
City Clerk

APPROVED AS TO FORM:

Maribel S. Medina
City Attorney

ATTACHMENT "B"**RESOLUTION NO. ____****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN FERNANDO AMENDING THE BUDGET FOR THE
FISCAL YEAR 2012-2013 ADOPTED ON JULY 2, 2012**

WHEREAS, the City of Council has received and considered the proposed adjustment to the budget for Fiscal Year 2013, commencing July 1, 2012, and ending June 30, 2013; and

WHEREAS, the City Council has determined that it is necessary to increase the expenditures of the Current City; and

WHEREAS, an annual budget for the City of San Fernando for the Fiscal Year beginning July 1, 2012 and ending June 30, 2013, a copy of which is on file in the City Clerk's Office, has been adopted on July 2, 2012.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

Section 1: The following adjustment in expenditures is made in the named City fund:

1. Quimby Fee Fund – Increase in Expenditures: \$11,848.43
(Variable Frequency Drives at San Fernando Regional Pool Facility)

PASSED, APPROVED, AND ADOPTED this 19th day of February, 2013.

Antonio Lopez, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 19th day of February 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

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COMMUNITY DEVELOPMENT DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator
By: Fred Ramirez, City Planner

DATE: February 19, 2013

SUBJECT: Approval of Mission Community Hospital Sublease Agreement with San Fernando Community Health Center

RECOMMENDATION:

It is recommended that the City Council approve the Mission Community Hospital Sublease Agreement with San Fernando Community Health Center (Attachment "A") per City Contract No. 1485.

BACKGROUND:

1. On March 1, 1976, Mission Community Hospital issued \$2.95 million in tax-exempt bonds to finance the property acquisition and partial reconstruction of the former San Fernando Community Hospital building at 700 Chatsworth Dr.
2. On May 18, 1976, Mission Community Hospital became the owner of said property.
3. In 1995, Mission Community Hospital filed a Chapter 11 bankruptcy petition in Federal court.
4. On March 25, 1997, the U.S. Bankruptcy Court approved an order confirming the Debtor's Fourth Amended Plan for Reorganization.
5. On March 30, 2001, the tax-exempt bonds were retired.
6. In September 2001, Mission Community Hospital executed a Grant Deed to the City of San Fernando upon final payment of the tax-exempt bonds.
7. On September 17, 2001, the City Council accepted the grant deed.

Approval of Mission Community Hospital Sublease Agreement with San Fernando Community Health Center
Page 2

8. On September 15, 2003, the City Council approved a Lease Agreement with Mission Community Hospital for a 15-year period covering October 1, 2003 to March 1, 2017. (City Contract No. 1485)
9. On November 14, 2003, the Partners in Care Foundation entered into a sublease agreement with Mission Community Hospital to provide administrative space for health and wellness programs.
10. On June 2, 2005, the City Administrator received correspondence dated May 31, 2005 from Mission Community Hospital requesting a 10-year lease extension.
11. On July 5, 2005, the City Council approved the 10-year lease extension (expiring March 1, 2027) with Mission Community Hospital.
12. On October 3, 2008, the City Administrator received correspondence from Mission Community Hospital requesting a sublease agreement that includes a 10-year extension and expansion of subleased space for the Partners in Care Foundation.
13. On October 20, 2008, the City Council approved a sublease agreement between MCH and the Partners in Care Foundation ensuring that the terms of the sublease agreement coincided with the term of the master lease agreement, which is 2027 (City Contract No. 1485(a)).
14. On December 18, 2012, MCH made a request for the City to consider approval of a sublease of a portion of the San Fernando Campus, 732 Mott Street, San Fernando, 91340 to a newly structured non-profit foundation known as "San Fernando Community Health Center".
15. On February 5, 2013, MCH submit a written request for City approval of the sublease agreement to include the San Fernando Community Health Center as a lease holder.

ANALYSIS:

Over the past 11 years, Mission Community Hospital (MCH) has worked to transform the former San Fernando Community Hospital facility into a health and education campus serving the residents of the City of San Fernando and the surrounding communities in the Northeast San Fernando Valley. The facility located at 700 Chatsworth Drive in the City of San Fernando has benefited from a multi-year construction renovation project that now includes space for a variety of low cost health services provided by such partners as: the UCLA School of Dentistry, Southern California School of Optometry, the San Fernando Community Diabetes Center, which includes Project ALTO-D™ and the Diabetes Teaching Kitchen and Partners in Care Foundation. MCH is now proposing to add San Fernando Community Health Center sublease tenant to the facility pursuant to the terms of the master lease between the City of San Fernando and MCH (City Contract No. 1485 and Contract Amendment No. 1485(a)).

Per the current master lease agreement with the City, MCH is requesting Council approval of a sublease agreement in order to authorize San Fernando Community Health Center to take over an

Approval of Mission Community Hospital Sublease Agreement with San Fernando Community Health Center
Page 3

approximate 17,115 square foot portion of the hospital facility in order to undertake the following service: a 15-exam room primary care clinic, which will provide primary medical care and subspecialty care as indicated by community need. The Dental Clinic and the San Fernando Community Diabetes Center will be absorbed into the newly formed San Fernando Community Health Center, a non-profit, 501 (c) 3 Foundation. The Partners in Care Foundation would continue to lease the remaining 11,275 square feet of hospital facility.

CONCLUSION:

It is staffs assessment that authorizing MCH into a sublease agreement with San Fernando Community Health Center will allow MCH to further its mission of providing much needed healthcare, health prevention and wellness services to the community at no cost to the City.

BUDGET IMPACT:

Approval of MCH's sublease agreement with San Fernando Community Health Center will not have an adverse impact on the City's budget. Per the master lease agreement (City Contract No. 1485), MCH will continue to make the annual rent. Per Fiscal Year 2012-2013, the annual rent is \$50,000. Under the new sublease agreement, the annual rent paid to the City for Fiscal Year 2013-2014 will be \$55,189.02 with a 1% increase in total rent paid for every subsequent year during the term of the new lease agreement.

ATTACHMENT:

- A. Sublease Agreement
- B. Contract No. 1485
- C. Contract No. 1485(a)
- D. February 5, 2013 Letter from Mission Community Hospital

ATTACHMENT "A"

MISSION COMMUNITY HOSPITAL
SAN FERNANDO FACILITY SUBLEASE

This Sublease (herein "Sublease") is made and entered into as of this 1st day of February 2013, by and between SAN FERNANDO COMMUNITY HOSPITAL dba MISSION COMMUNITY HOSPITAL, a California nonprofit corporation ("Sublandlord") and San Fernando Community Health Center, a California nonprofit corporation ("Subtenant").

RECITALS:

A. Sublandlord is the lessee of certain real property, including an office building ("Building") located at the property commonly known as 700 Chatsworth Drive, San Fernando, California (together with all buildings, easements and appurtenances and all plumbing, heating, lighting, electrical, ventilation and air conditioning systems and fixtures now or hereafter affixed to the Building and which are necessary to the general operation and maintenance thereof, hereinafter referred to as the "Property"), described in that certain Sublease Agreement dated October 1, 2003 by and between the City of San Fernando, as lessor, and Sublandlord, as lessee (the "City Lease").

B. Subtenant desires to lease seventeen thousand one hundred fifteen (17,115) square feet within the Building together with the non exclusive right to use the common area in the Building and on the Property for the purpose of operating a primary community health clinic.

C. Subtenant is willing to lease a portion of the Property from Sublandlord pursuant to the provisions stated in this Sublease.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
PREMISES, TERM

Section 1.01. Premises. Subject to all of the terms and conditions of this Sublease, and for the Term (as defined below), Sublandlord hereby subleases the Premises to Subtenant, and Subtenant hereby subleases the Premises from Sublandlord.

This Sublease is and shall be at all times subject to and subordinate to all of the terms, covenants and conditions of the City Lease attached hereto as Exhibit "A", and shall in all respects be limited to the estate granted to Sublandlord by the City of San Fernando pursuant to the City Lease. Subtenant agrees that it shall promptly forward to Sublandlord any and all notices or other communications received by Subtenant from the City of San Fernando under the City Lease. In the event that the City Lease is terminated for any reason, this Sublease shall also terminate and Sublandlord and Subtenant shall have no further obligations or liabilities to each other, except for any such obligation or liability that is expressly stated to survive such termination. Notwithstanding the above, in the event that the City Lease terminates, Sublandlord, upon request by Subtenant, will take all reasonable action to assist Subtenant in facilitating its own lease with the City of San Fernando in order that Subtenant may remain in the

Building. Subtenant acknowledges that the City of San Fernando shall have no obligation to negotiate or otherwise agree to enter into a Lease with the Subtenant.

Sublandlord leases to Subtenant and Subtenant leases from Sublandlord that space located at 700 Chatsworth Drive, San Fernando, California, and more specifically described as shown on the floor plan attached hereto as Exhibit "B", which constitutes approximately seventeen thousand one hundred fifteen (17,115) square feet of rentable area of the total rentable square feet in the Building (the "Premises").

Section 1.02. Equipment/Furniture. During the term of this Sublease, Subtenant shall be entitled to use in the Premises the equipment and furniture located in the Premises and owned by Sublandlord, as listed on Exhibit "C" attached hereto and all replacements, alterations, and additions thereto (collectively, "Sublandlord's Furniture"). All Sublandlord's Furniture shall be subject to any prior rights under financing arrangements under which Sublandlord is or becomes obligated. Subtenant shall be entitled to use its own movable equipment in the Premises, but shall ensure that all such equipment is clearly identified as Subtenant's property, the expense for use of the Sublandlord's Furniture will be covered under the monthly rental amount.

Section 1.03. Term. The term of the Sublease shall begin on the Commencement Date, as defined in Section 3.01, and end on March 1, 2017 (the "Initial Term"). In the event that Sublandlord extends the term of the City Lease or enters into a new lease for the Property, as long as Subtenant is not in default under this Sublease, Sublandlord will, to the extent permitted by the Sublandlord's lease, grant Subtenant additional options to extend the term of this Sublease. In such event, and as long as Subtenant is not in default under this Sublease, upon the expiration of the Initial Term, Subtenant shall have an option to extend the term of this Sublease for one (1) additional ten (10) year term (the "Renewal Term") by giving notice of its exercise of an option for a Renewal Term at least six (6) months before the expiration of the Initial Term or any Renewal Term.

Section 1.04. Common Areas. Sublandlord gives to Subtenant and its authorized representatives and invitees the non-exclusive right to use the Common Areas with other tenants of the Building, together with their respective authorized representatives and invitees. The term "Common Areas" means all areas and facilities outside the Premises and within the exterior boundaries of the Property in which the Building is located, public stairways, public areas, parking areas, decorative walls, and other public portions of the Building, including (a) parking facilities, roadways, sidewalks, walkways, parking, driveways and landscaped areas within the Premises, (b) the common entrances, lobbies, corridors, restrooms on multi-tenant floors, elevators, stairways, accessways, loading and unloading areas, ramps, drives, platforms, passageway, serviceways, common pipes, conduits, wires, equipment and trash areas serving the Building, and (c) the basement of the Building, which may be used for storage. Sublandlord reserves the right from time to time to use any of the Common Areas and to (i) add additional property to or otherwise expand the Premises or Building; (ii) construct additional improvements on the Premises and make changes, additions, improvements, repairs or replacements in or to the Premises; (iii) close temporarily any of the Common Area while engaged in making repairs, improvements or alterations to the Premises; and (iv) perform such other acts and make such other changes with respect to the Premises as Sublandlord may, in the exercise of sound business

judgment, deems to be appropriate; provided, however, that such acts and changes described in 1.04(i) through 1.04(iv) herein above do not reasonably interfere with Subtenant's access to the Premises or the permitted use of the Premises described herein.

Section 1.05. Parking. During the term of this Sublease, non-exclusive parking will be available at no cost to Subtenant, its employees and guests at the parking facilities on the Property.

ARTICLE II CONSTRUCTION OF IMPROVEMENTS

Section 2.01. Subtenant Improvements. Sublandlord and Subtenant, prior to the Commencement Date, shall have constructed the interior portion of the Premises in accordance with plans and specifications, approved by Sublandlord and Subtenant and as they have agreed to apportion responsibility, as set forth in Exhibit "D" attached hereto and incorporated herein by reference, subject to modification thereof only in accordance with executed written change orders. Subtenant and Sublandlord shall be solely responsible and shall each pay their respective costs and expenses in connection with their respective improvements to the Premises, as described in Exhibit "D." Upon occupying the Premises, Subtenant by such act accepts that the Premises are in the condition called for under this Sublease. Provided however, that any improvements are subject to the provisions of Article 7 of the City Lease.

Section 2.02. Completion. Said Premises shall be deemed completed and ready for occupancy by Subtenant for purposes of this ARTICLE II when Sublandlord has given Subtenant notice thereof and Subtenant approves the Premises, which approval shall not be unreasonably withheld.

ARTICLE III COMMENCEMENT OF TERM

Section 3.01. Commencement Date. The term of this Sublease and the payment of rent hereunder shall commence on the date the tenant improvements for the Premises are completed (as mutually agreed by Sublandlord and Subtenant) and possession is delivered to Subtenant.

Section 3.02. Commencement Date Delay. If the Commencement Date is delayed due to any act or omission of Subtenant, or of its agents or employees, the Premises shall be deemed ready for occupancy, thereby the Commencement Date shall be the day the Premises would have been ready but for the delay. For this purpose, a delay shall include:

(a) Delay in submission of plans or specifications, or giving authorizations or approvals required for the preparation for or execution of the construction work.

(b) Delay due to:

(i) Changes made in plans and specifications.

(ii) Any interference with the construction work to be performed to the Premises as provided in ARTICLE II.

If Sublandlord sustains additional costs or damages as a result of any delay by Subtenant under this Section, Subtenant shall pay to Sublandlord (in addition to the rent payable as a result of the acceleration of the Commencement Date as provided herein) all reasonable costs and damages sustained by Sublandlord as a result of the delay.

ARTICLE IV USE AND PROHIBITED USE OF PREMISES

Section 4.01. Use. Subtenant shall use the Premises for operating a community health clinic, and shall not use or permit the Premises to be used for any other purposes without the prior written consent of Sublandlord. Notwithstanding anything to the contrary contained in this Sublease, all uses of the Premises shall be limited exclusively to the uses permitted under the City Lease. Specifically, any use other than for healthcare-related training, services, activities and healthcare counseling is specifically prohibited without the written consent of the City of San Fernando as outlined in the City Lease.

Section 4.02. Prohibited Uses. Subtenant shall not commit or permit the commission of any acts on the Premises nor use or permit the use of the Premises in any way that:

- (a) Will increase the existing rates for or cause cancellation of any fire, casualty, liability, or other insurance policy insuring the Building or its contents;
- (b) Violates or conflicts with any law, statute, ordinance, or governmental rule or regulation, whether now in force or hereinafter enacted, governing the Premises or the Building, or which violates or conflicts with the terms of the City Lease;
- (c) Obstructs or interferes with the rights of other tenants or occupants of the Building or injures or annoys them; or
- (d) Constitutes the commission of waste on the Premises or the commission or maintenance of a nuisance as defined by the laws or the State of California.

Section 4.03. Rules and Regulations. Subtenant will faithfully observe and strictly comply with all rules and regulations affecting the Premises, and such other and further reasonable rules and regulations as Sublandlord or the agents of Sublandlord may, from time to time, promulgate. Notice of such rules and regulations will be given in such manner as Sublandlord may elect, provided, however, that Subtenant will be bound to such rules and regulations only to the extent that Subtenant has received written notice.

ARTICLE V RENT

Section 5.01. Minimum Rent. Subtenant shall pay as minimum rent, without deduction, set off, prior notice, or demand, the monthly sum of Five Thousand One Hundred

Thirty-Four and 50/100 Dollars (\$5,134.50), computed at the rate of \$.30 per square foot of the Premises. The Minimum Rent provided herein shall be subject to the adjustment described in Section 5.02 commencing on the first anniversary of the Commencement Date. Subtenant agrees to pay rent on the first day of each month commencing on the Commencement Date of this Sublease and continuing during the Term. The minimum monthly rent for any partial month shall be prorated at the rate of 1/30th of the minimum monthly rent less any offset per day.

The payment of rent shall be deemed delinquent if not received by Sublandlord at its address as set forth in ARTICLE XVI below, within five (5) days of the date on which it is due.

Section 5.02. Rent Adjustment. The Minimum Rent to be paid over a 12 month period, as provided in Section 5.01, is subject to a one percent (1%) increase on the anniversary of the Commencement Date each year (the "Adjustment Date"). Sublandlord shall provide Subtenant with a notice of the increase Minimum Rent in the invoice for rent rendered by Sublandlord for the applicable rental period.

Section 5.03. Common Area Operating Costs. In addition to the payments to be paid by Subtenant to Sublandlord as set forth in Sections 5.01 and 5.02, Subtenant shall also pay to Sublandlord on the first day of each month of the Sublease term, an amount estimated by Sublandlord to be Subtenant's share of common area operating costs of the Premises ("Operating Costs," as defined in this Section).

Subtenant's proportionate share of Operating Costs shall be calculated as follows: the total Operating Costs multiplied by the percentage of total number of square feet of the Common Area as compared to the total number of square feet of the Property, and such number shall be multiplied by the Subtenant's percentage of rentable square feet compared to the total rentable square feet in the Building. For example, if the total Operating Costs are \$5000, the Common Area is 5,350 square feet, the total number of square feet of the Property is 42,000, the total rentable square feet is 36,357, and the Subtenant's rentable square feet is 900, Subtenant's proportionate share of the Operating Costs would be $5,350/42,000=13\% \times \$5,000=\$650$ Total Common Area Operating Costs, and $900/36,357 = 2\% \times \$650 = \$13$ Subtenant's proportionate share of the Common Area Operating Costs. All Operating Costs that cover a period not within the term of this Sublease shall be prorated.

The Operating Costs shall mean all costs and expenses of operation and maintenance of the Property, as determined by standard accounting practices with variable components of Operating Expenses calculated assuming the Building is ninety-five percent (95%) occupied, including without limitation: (a) real property taxes and any taxes or assessments imposed in lieu thereof; (b) all costs, levies and assessments imposed or incurred with respect to the Property pursuant to any applicable laws, ordinances, statutes and governmental rules and regulations (including the Americans With Disabilities Act of 1990) now or hereafter in force (collectively, the "Governmental Regulations") and/or pursuant to any covenants, conditions or restrictions affecting the Property, except to the extent such costs, levies or assessments are required to be paid directly by Subtenant pursuant to this Sublease; (c) costs of water, sewers, electricity, heating, ventilating, air conditioning and other utilities and services (including any utilities surcharges); (d) costs of insurance obtained by Sublandlord; (e) security; (f) labor; (g) supplies, materials, equipment and tools; (h) costs of repair, maintenance and upkeep of the elevators and

structural portions of the Building, the utilities, security, life-safety and other systems of the Property, and all signs, parking and common areas; (i) costs and expenses of gardening and landscaping; and (j) costs and expenses of repairs, resurfacing, repairing, maintenance, painting, lighting, cleaning, refuse removal, security and similar items, including appropriate reserves.

Within thirty (30) days after the end of each calendar year, Sublandlord shall furnish to Subtenant a statement showing the total Operating Cost for the year just ended. Each statement shall be prepared, signed, and certified to be correct by an officer of Sublandlord.

Sublandlord may, in its sole discretion, adjust the monthly common area charge at the end of each accounting period for the following twelve (12) months on the basis of Sublandlord's reasonably anticipated Operating Costs for the following accounting period. If Subtenant's share of Operating Costs for any accounting period exceeds the payments made by Subtenant, Subtenant shall pay Sublandlord the deficiency within ten (10) days after receipt of the statement. If Subtenant's payments made during the accounting period exceed Subtenant's share of Operating Costs, Sublandlord shall pay Subtenant the excess at the time Sublandlord furnishes the statement to Subtenant.

ARTICLE VI SECURITY DEPOSIT

Section 6.01. Security Deposit. Subtenant shall pay a sum equal to two (2) months' rent to Sublandlord at or before the commencement of the lease term, as security for the full performance of this Sublease. Said sum shall be held by Sublandlord as security for the faithful performance by Subtenant of all of the terms, covenants, and conditions of this Sublease to be kept and performed by Subtenant during the term hereof. If Subtenant defaults with respect to any provisions of this Sublease, including, but not limited to, the provisions relating to the payment of rent, Sublandlord may (but shall not be required to) use, apply, or retain all or any part of this security deposit for the payment of any rent or any other sum in default, or for the payment of any other amount which Sublandlord may spend or become obligated to spend by reason of Subtenant's default or to compensate Sublandlord for any other loss or damage which Sublandlord may suffer by reason of Subtenant's default. If any portion of said deposit is so used or applied, Subtenant shall, upon demand therefore, deposit cash with Sublandlord in an amount sufficient to restore the security deposit to its original amount and Subtenant's failure to do so shall be a material breach of this Sublease. Sublandlord shall not be required to keep this security deposit separate from its general funds and Subtenant shall not be entitled to interest on such deposit. If Subtenant shall fully and faithfully perform every provision of this Sublease to be performed by it, the security deposit or any balance thereof shall be returned to Subtenant (or, at Sublandlord's option to the last assignee of Subtenant's interest hereunder) at the expiration of the lease term. In the event of termination of Sublandlord's interest in this Sublease, Sublandlord shall notify Subtenant in writing of any transfer of said deposit to Sublandlord's successor in interest, and Sublandlord shall be discharged from any further liability with respect to the security deposit.

ARTICLE VII
PERSONAL PROPERTY TAXES

Section 7.01. Personal Property Taxes. Subtenant shall pay, or cause to be paid, before delinquency, any and all taxes, assessments, license fees, and other charges ("Taxes") that are levied and assessed against Subtenant's leasehold improvements, equipment, furniture, fixtures, inventory, and any other personal property installed or located in or on the Premises, and that become payable during the term of this Sublease. On demand by Sublandlord, Subtenant shall furnish Sublandlord with satisfactory evidence of payment.

In the event any or all of the Subtenant's leasehold improvements, equipment, furniture, fixtures, and other personal property shall be assessed and taxed with the Property, Subtenant shall pay to Sublandlord such Taxes within ten (10) days after delivery to Subtenant by Sublandlord of a statement in writing setting forth the amount of such Taxes applicable to Subtenant's property.

ARTICLE VIII
UTILITIES AND SERVICES

Section 8.01. Utilities and Services. Sublandlord shall furnish to the Premises reasonable quantities of electricity, gas and water as required for Subtenant's use, sewage service, trash collection, janitorial service and elevator service at Sublandlord's expense. Subtenant shall be solely responsible for, and shall make all arrangements and directly pay all expenses related to telephone service and the collection of all hazardous and/or medical waste.

Sublandlord shall not be liable for failure to furnish such utilities or services to the Premises when the failure results from causes beyond Sublandlord's reasonable control, but in case of the failure, Sublandlord shall take all reasonable steps to promptly restore the interrupted utilities and services.

ARTICLE IX
ALTERATIONS, ADDITIONS, AND MAINTENANCE

Section 9.01. Alterations and Additions. Subtenant shall not make or allow to be made any alterations, additions, or improvements to or of the Premises or any part thereof without the prior written consent of Sublandlord. Any alterations, additions, or improvements to or of the Premises, including, but not limited to, wall coverings, paneling, and built-in cabinet work, but excepting moveable furniture and trade fixtures, shall at once become a part of the realty and belong to Sublandlord and shall be surrendered with the Premises on expiration or termination of the Term, except that Sublandlord may elect within thirty (30) days before expiration of the Term, or upon notice of termination of this Sublease, to require Subtenant to remove any fixtures that Subtenant has added to the Premises. If Sublandlord so elects, Subtenant at its sole cost, shall restore the Premises to their original condition (i.e., prior to the removal of any fixtures) or such other condition as is mutually agreeable to Sublandlord and Subtenant, designated by Sublandlord in its election, before the last day of the term, or within thirty (30) days after notice of election is given, whichever is later. If Subtenant makes any alterations to the Premises as provided in this Section, such alterations shall not be commenced

until ten (10) days after Sublandlord has received notice from Subtenant stating the date the installation of the alterations is to commence so that Sublandlord may post and record an appropriate notice of nonresponsibility. In the event that Sublandlord consents to the making of any alterations, additions, or improvements to the Premises by Subtenant, the same shall be made by Subtenant at Subtenant's sole cost and expense.

Section 9.02. Sign and Directory. Sublandlord shall provide a directory in the lobby area of the Building in which the Premises are located. Subtenant has the right to put a sign on the entrance door of the Premises. With that exception, Subtenant shall have no other right to place, construct, or maintain any other sign on the Premises without Sublandlord's written approval.

Section 9.03. Maintenance. Sublandlord represents that the Premises are and will remain structurally sound; and Sublandlord shall, at its sole cost and expense, maintain in good order, condition, and timely repair throughout the Term of this Sublease the walls, roofs, foundations, common areas and all exterior parts of all buildings located on the Property, and the electrical, gas, and plumbing services, to and from the Building; provided, however, Sublandlord shall not be obligated to repair any damage thereto caused by any act or negligence of Subtenant or its employees, agents, invitees, licensees, or contractors (collectively, the "Subtenant Parties"). In the event and to the extent that the need for repairs shall have been caused by the intentional acts or negligence of Subtenant or the Subtenant Parties, Sublandlord may, in its sole discretion, make such repairs and charge Subtenant the cost thereof as additional rent.

By entry hereunder, Subtenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition, and repair. Subtenant shall, at Subtenant's sole cost and expense, keep the Premises and every part thereof in good condition and repair (except as provided with respect to Sublandlord's obligations as set forth in this Section). Subtenant specifically assumes responsibility for the plate glass, if any, and all interior portions of the Premises. Subtenant shall, upon the expiration or sooner termination of this Sublease, surrender the Premises to Sublandlord in good condition, broom clean, ordinary wear and tear and damage from causes beyond the reasonable control of Subtenant excepted.

Sublandlord and Landlord reserve and shall at any and all times have the right to enter the Premises, during the normal business hours of Subtenant, to inspect the same, to supply service to be provided by Sublandlord to Subtenant hereunder, to submit the Premises to prospective purchasers or tenants, to post notices of non-responsibility, and to alter, improve, or repair the Premises and any portion of the Building of which the Premises are a part as required by the terms of this Sublease, without abatement of rent, and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the Premises shall not be blocked thereby, and further providing that the business of Subtenant shall not be interfered with unreasonably. Subtenant hereby waives any claim for damages for any injury or inconvenience to or interference with Subtenant business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the aforesaid purposes, Sublandlord shall at all times have and retain a key with which to unlock all of the doors in, upon, and about the Premises, excluding Subtenant's vaults and safes, and Sublandlord shall have the right to use any and all means which Sublandlord may deem proper to open said doors in an emergency, in order

to obtain entry to the Premises, and any entry to the Premises obtained by Sublandlord or Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Subtenant from the Premises or any portion thereof.

Section 9.04. Mechanics' Liens. Subtenant shall keep the Building, other improvements, and land of which the Premises are a part free and clear of all mechanics' liens resulting from any work or services requested or engaged by Subtenant.

Subtenant shall have the right to contest the correctness or validity of any such lien, if, immediately on demand by Sublandlord, Subtenant procures and records a lien release bond issued by a corporation authorized to issue surety bonds in California in an amount equal to one and one half (1 1/2) times the amount of the claim on lien. The bond shall provide for the payment of any sum that the claimant may recover on the claim (together with costs of suit, if it recovers in the action).

ARTICLE X INDEMNITY, EXCULPATION, AND INSURANCE

Section 10.01. Hold Harmless. Subtenant shall indemnify Landlord its officers, agents, employees, successors, assigns and attorneys (Collectively "Landlord"), Sublandlord and hold Landlord, and Sublandlord harmless against and from any and all claims, taxes, liens, liability, damage, or loss arising from Subtenant's use of the Premises or the Property, from the conduct of its business or from any activity, materials supplied to, work, or other things done, permitted or suffered by the Subtenant in or about the Premises and the Property, and shall further indemnify Landlord and Sublandlord and hold it harmless against and from any and all claims arising from any breach or default in the performance of any obligation on Subtenant's part to be performed under the terms of this Sublease or arising from any act or negligence of Subtenant or any officer, agent, employee, guest, or invitee of Subtenant, and from all costs, attorneys' fees, and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon, and in case of any action or proceeding brought against Landlord or Sublandlord by reason of such claim, Subtenant, upon notice from Landlord or Sublandlord, shall defend the same at Subtenant's expense by counsel reasonably satisfactory to Landlord or Sublandlord. Subtenant, as a material part of the consideration to Sublandlord for this Sublease, hereby assumes all risk of damage to property or injury to persons in, upon, or about the Premises, from any cause other than Sublandlord's willful misconduct or gross negligence, and Subtenant hereby waives all claims in respect thereof against Sublandlord.

Neither Landlord nor Sublandlord or its agents shall not be liable for any loss or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, or rain which may leak from any part of the Building or from the pipes, appliances or plumbing works therein, or from the roof, street, or subsurface or from any other place resulting from dampness or any other cause whatsoever, unless caused by or due to the gross negligence of Sublandlord, its agents, servants, or employees. Subtenant shall give prompt written notice to Sublandlord in case of casualty or accident in the Premises or on the Property.

Section 10.02. Insurance. Subtenant shall maintain or cause to be maintained, at its sole cost and expense, the following insurance with respect to the Premises:

(a) Liability Insurance. Comprehensive general liability insurance against any and all liability of the insured for personal injury, death, or property damage with respect to or arising out of the ownership, maintenance, use or occupancy of the Premises, and all operations incidental thereto including, but not limited to, structural alterations, new construction and demolition, including a broad form commercial general liability endorsement covering the insuring provisions of this Sublease and the performance by Subtenant of the indemnity agreements set forth in this Sublease, the insurance to have limits of not less than Five Million Dollars (\$5,000,000.00), for bodily injury, personal injury and property damage liability.

(b) Worker's Compensation Insurance. Worker's Compensation insurance covering all persons employed by Subtenant in the conduct of its business on the Premises, or as required by law from time to time.

(c) Special Cause of Loss. "Special Cause of Loss" property insurance on the improvements in an amount not less than the full insurable value on a replacement cost basis of the improvements on the Property and Subtenant's trade fixtures. During all construction periods, such policy shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" with no coinsurance requirement and shall contain a provision granting the insured permission to complete.

Section 10.03. Policy Requirements. All insurance required under this Sublease shall: (a) have Landlord and Sublandlord named as additional insured; (b) state that the insurance afforded to each of the above-named insureds shall be primary insurance and any other valid and collectible insurance available to either of the insureds shall be excess insurance and under no circumstances shall be considered contributory; (c) provide that coverage shall not be revised, canceled or reduced until at least thirty (30) days written notice of such revision, cancellation or reduction has been given to Sublandlord (except in the event of cancellation for nonpayment of premium, which notice shall be provided at least ten (10) days prior to cancellation); and (d) be issued by insurance companies which are qualified to do business in the State of California and having a rating of not less than A-VIII in Best's Insurance Guide.

Section 10.04. Blanket Policy. Any or all insurance required under this Sublease may be part of a blanket policy or policies of insurance maintained by Subtenant covering the risks to be insured against under this Sublease so long as the coverage required under this Sublease is not diminished.

Section 10.05. Right of Sublandlord to Obtain Insurance. Prior to the Commencement Date, and thereafter not less than thirty (30) days prior to the expiration date of each policy theretofore furnished pursuant to this ARTICLE X, Subtenant shall deliver to Sublandlord, in the manner required for notices, copies or certificates of all insurance policies required by this Sublease or, alternatively, proof acceptable to Sublandlord that such insurance has been or will be obtained prior to the Commencement Date or the expiration date of such policies, as applicable. If Subtenant fails or refuses to procure or to maintain insurance as required by this Sublease, or fails or refuses to furnish Sublandlord with proof acceptable to

Sublandlord that the insurance has been or will be procured within five (5) business days following Sublandlord's demand for such proof, Sublandlord shall have the right, at Sublandlord's election, to procure and maintain such insurance, in addition to all other rights and remedies Sublandlord may possess on account of such default. The premiums paid by Sublandlord in such event shall be treated as rent due from Subtenant to be paid on the first day of the next month following the date on which the premiums were paid, with interest at a rate equal to one percent (1%) from the time of payment until repayment. Sublandlord shall give prompt notice of the payment of such premiums, stating the amounts paid and the names of the insurer or insurers to whom such premiums were paid.

Section 10.06. Waiver of Subrogation. Sublandlord and Subtenant each agree to have their respective insurance companies issuing insurance with respect to the Premises waive any rights of subrogation that such companies may have against Sublandlord or Subtenant, as the case may be. Sublandlord and Subtenant hereby waive any and all rights of recovery against the other, or against the officers, employees, agents and representatives of such other party, for loss of or damage to such waiving party or its property or the property of others under its control, arising from any cause insured against under any insurance policies required to be carried by this ARTICLE X or under any other policy of insurance carried by such waiving party, to the full extent permitted by such policies.

ARTICLE XI DESTRUCTION

Section 11.01. Sublandlord's Rights and Obligations. If the Premises or any part of the Building is damaged by fire or other casualty to an extent not exceeding twenty-five percent (25%) of the full replacement cost thereof, and Sublandlord's contractor (or the City of San Fernando's contractor, in accordance with the City Lease) estimates in a writing delivered to the parties that the damage thereof is such that the Premises and/or Building may be repaired, reconstructed or restored to substantially its condition immediately prior to such damage within one hundred twenty (120) days from the date of such casualty, and Sublandlord will receive insurance proceeds sufficient to cover the costs of such repairs, reconstruction and restoration (including proceeds from Subtenant and/or Subtenant's insurance which Subtenant is required to deliver to Sublandlord pursuant to Section 11.02 below), then Sublandlord (or its designee) shall commence and proceed diligently with the work of repair, reconstruction and restoration and this Sublease shall continue in full force and effect. If, however, the Premises or any other part of the Building is damaged to an extent exceeding twenty-five percent (25%) of the full replacement cost thereof, or Sublandlord's contractor (or the City of San Fernando's contractor, in accordance with the City Lease) estimates that such work of repair, reconstruction and restoration will require longer than one hundred twenty (120) days to complete, or Sublandlord will not receive insurance proceeds (and/or proceeds from Subtenant as applicable) sufficient to cover the costs of such repairs, reconstruction and restoration, then Sublandlord may elect to either: (a) repair, reconstruct and restore the portion of the Building damaged by such casualty, in which case this Sublease shall continue in full force and effect; or (b) terminate this Sublease effective as of the date which is thirty (30) days after Subtenant's receipt of Sublandlord's election to so terminate. Under any of the conditions of this Section 11.01, Sublandlord shall give written notice to Subtenant of its intention to repair or terminate within the later of sixty (60) days after the occurrence of such casualty, or fifteen (15) days after Sublandlord's receipt of the estimate from

Sublandlord's contractor. Sublandlord's contractor shall deliver a written estimate to both Sublandlord and Subtenant pursuant to this Section within forty-five (45) days of Subtenant's notifying Sublandlord of any damage to the Premises.

Section 11.02. Subtenant's Costs and Insurance Proceeds. In the event of any damage or destruction of all or any part of the Premises, Subtenant shall immediately notify Sublandlord thereof and deliver to Sublandlord all insurance proceeds received by Subtenant with respect to the Premises (whether or not this Sublease is terminated as permitted in this ARTICLE XI), and Subtenant hereby assigns to Sublandlord all rights to receive such insurance proceeds. If Subtenant fails to receive insurance proceeds covering the full replacement cost of any portion of the Premises, including personal property owned by Sublandlord, which Subtenant is required to insure pursuant to this Sublease, upon any damage or destruction thereto, Subtenant shall immediately pay to Sublandlord the full replacement cost of such items, less any insurance proceeds actually received by Sublandlord from Sublandlord's or Subtenant's insurance with respect thereto.

Section 11.03. Abatement of Rent. If as a result of any such damage or destruction of the Premises or the Building, Subtenant is actually prevented from using, and does not use, the Premises or any portion thereof for five (5) consecutive business days (the "Eligibility Period"), then the rent shall be abated or reduced, as the case may be, during the period after the expiration of the Eligibility Period that Subtenant continues to be so prevented from using and does not sue the Premises or portion thereof, in the proportion that the rentable square feet of the portion of the Premises that Subtenant is prevented from using, and does not use, bears to the total rentable square feet of the Premises. Notwithstanding the foregoing to the contrary, if the damage or destruction is due to the negligence or willful misconduct of Subtenant or any Subtenant Parties, there shall be no abatement of rent. Except for abatement of rent as provided herein above, Subtenant shall not be entitled to any compensation or damages for loss of, or interference with, Subtenant's business or use or access of all or any part of the Premises resulting from any damage or destruction, repair, reconstruction or restoration.

Section 11.04. Inability to Complete. Notwithstanding anything to the contrary contained in this ARTICLE XI, if Sublandlord is obligated or elects to repair, reconstruct and/or restore the damaged portion of the Building or Premises pursuant to Section 11.01 above, but is delayed from completing such repair, reconstruction and/or restoration beyond the date which is six (6) months after the date estimated by Sublandlord's contractor for completion thereof pursuant to Section 11.01, by reason of any causes beyond the reasonable control of Sublandlord (including, without limitation, any acts of God, war, governmental restrictions, and delays caused by Subtenant or any Subtenant Parties), then either Subtenant or Sublandlord may elect to terminate this Sublease upon thirty (30) days' prior written notice to the other.

ARTICLE XII CONDEMNATION

Section 12.01. Eminent Domain. If the whole or any part of the Premises, Building or Property shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, Sublandlord shall have the option to terminate this Sublease upon thirty (30)

days' notice to Subtenant, provided such notice is given no later than (90) days after the date of such taking. If the whole or any part of the Premises is taken, or if access to the Premises is substantially impaired as a result of any such taking, Subtenant shall have the option to terminate this Sublease upon thirty (30) days' notice to Sublandlord, provided such notice is given no later than ninety (90) days after the date of such taking. If neither party elects to terminate this Sublease, and a portion of the premises is so taken, Sublandlord shall thereafter proceed to make a functional unit of the remaining portion of the Premises (but only to the extent Sublandlord receives proceeds therefor from the condemning authority), and rent shall be abated with respect to the part of the Premises taken. Sublandlord shall be entitled to receive the entire amount of any award or payment made in connection with such taking, except that Subtenant may file a separate claim against the condemning authority (but not against Sublandlord) for the taking of Subtenant's personal property within the Premises and for Subtenant's relocation expenses, provided such claims do not diminish the award available to Sublandlord or Sublandlord's mortgagees and are separately payable to Subtenant.

ARTICLE XIII ASSIGNMENT

Section 13.01. Prohibition Against Assignment or Sublease Without Sublandlord's Consent. Subtenant shall not, during the term of this Sublease, directly or indirectly, assign, transfer, pledge, sell, otherwise encumber all or any part of the Premises leased or Subtenant's leasehold estate under this Sublease, or sublet the leased Premises or any portion thereof, or permit anyone other than Subtenant to occupy the Premises without Sublandlord's prior written consent.

In the event Subtenant desires to assign, transfer, encumber, sublease, or permit anyone other than Subtenant to occupy the leased Premises, Subtenant must first give written notice to Sublandlord of its desire to do so. The written notice must contain the following: the name of the proposed assignee, transferee, sublessee, or occupant; the nature of the proposed assignee's, transferee's, subtenant's, or occupant's business or undertaking to be carried on in the Premises; financial information and credit history of the proposed assignee, transferee, subtenant, or occupant; and the terms and conditions of the proposed assignment, transfer, sublease, or occupancy. A copy of the proposed agreement concerning the assignment, transfer, sublease, or occupancy must be attached.

Sublandlord's consent will not be unreasonably withheld, providing that the assignee, transferee, sublessee, or occupant appears to be financially responsible, and the purpose for which the Premises are to be used will not be materially different from that provided for in this Sublease, and provided that consent is granted by the City of San Fernando pursuant to the terms of the City Lease. The consent by Sublandlord to assignment, transfer, sublease, or occupancy by the person specified in Subtenant's notice, will not relieve Subtenant from obtaining Sublandlord's written consent to assignment, transfer, sublease, or occupancy by any other person not named in such notice. Consent by Sublandlord to any assignment, transfer, sublease, or occupancy by another person will not relieve Subtenant of any of Subtenant's obligations under this Sublease.

Any assignment, transfer, sublease, or occupancy by a person other than Subtenant in violation of the terms of this Sublease will be null and void and, at Sublandlord's option, may be treated as a material default by Subtenant, entitling Sublandlord to terminate this Sublease and/or to pursue any other legal remedies. Acceptance by Sublandlord of rent from the assignee, transferee, sublessee, or occupant will not be deemed to constitute consent by Sublandlord to the assignment of transfer, sublease, or occupancy by another nor as a waiver of Sublandlord's rights to terminate this Sublease and/or pursue Sublandlord's other legal remedies.

The assignee, transferee, sublessee, or other person permitted to occupy the Premises will assume all of the obligations of Subtenant under this Sublease and will be liable jointly and severally with Subtenant for the payment of rent and the performance of all of the terms and conditions of this Sublease.

Subtenant will deliver to Sublandlord a copy of the assignment, transfer, agreement, sublease, or other instrument permitting another person to occupy the Premises. The instrument must contain an agreement whereby the assignee, transferee, sublessee, or occupant assumes the rights and obligations of Subtenant to the leased Premises in such form as will be acceptable to Sublandlord. The failure or refusal of the assignee, transferee, sublessee, or person permitted to occupy the leased Premises to execute such an instrument of assumption will not release or discharge such person from liability as set forth in this Sublease.

If Subtenant is a corporation, the transfer of the majority of the voting stock, whether by sale, consolidation, merger, reorganization, or other cause, or if Subtenant is a partnership, the sale or transfer of a majority of the partnership interest will be deemed an assignment for purposes of this Section.

Section 13.02. Involuntary Assignment. No interest of Subtenant in this Sublease shall be assignable by operation of law (including, without limitation, the transfer of this Sublease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment: (a) if Subtenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under bankruptcy law in which Subtenant is the bankrupt party; or if Subtenant is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment for the benefit of creditors; (b) if a Writ of Attachment or Execution is levied on this Sublease; or (c) if, in any proceeding or action to which Subtenant is a party, a receiver is appointed with authority to take possession of the Premises.

An involuntary assignment shall constitute a default by Subtenant and Sublandlord shall have the right to elect to terminate this Sublease, in which case this Sublease shall not be treated as an asset of Subtenant.

If a Writ of Attachment or Execution is levied on this Sublease, Subtenant shall have five (5) days in which to cause the attachment or execution to be removed. If any involuntary proceeding in bankruptcy is brought against Subtenant, or if a receiver is appointed, Subtenant shall have thirty (30) days in which to have the involuntary proceeding dismissed or the receiver removed.

Section 13.03. Sublandlord's Right to Assign. Upon thirty (30) days' notice to Subtenant, Sublandlord shall have the right to transfer and assign, in whole or in part, all and every feature of Sublandlord's rights and obligations under this Sublease and in the Premises and improvements referred to in this Sublease, and such transfers or assignments may be made to either a corporation, trust company, individual, or group of individuals, and however made, are to be and all things respected and recognized by Subtenant. Notwithstanding anything to the contrary above, in the event that an assignment under this Section is deemed by Subtenant in its reasonable discretion to have a negative impact on Subtenant, Subtenant may terminate this Sublease upon fifteen (15) days' notice to Sublandlord, so long as such notice is provided to Sublandlord prior to the effective date of assignment.

ARTICLE XIV DEFAULT AND REMEDIES

Section 14.01. Remedies. Notwithstanding any provision herein to the contrary and irrespective of whether all or any rights conferred upon Sublandlord by this ARTICLE XIV are expressly or by implication conferred upon Sublandlord elsewhere in this Sublease, in the event of any failure of Subtenant, which continues for five (5) days after notice has been given to Subtenant, to pay any rent or installments thereof, or any other charges or sums whatsoever due hereunder (including, without limitation, amounts due as reimbursement to Sublandlord for costs incurred by Sublandlord in performing obligations hereunder upon Subtenant's failure so to perform) when due, or any default or failure by Subtenant to perform any other of the terms, conditions, or covenants of this Sublease to be observed or performed by Subtenant for more than fifteen (15) days after written notice from Sublandlord to Subtenant of such default (unless such default cannot be cured within fifteen (15) days and Subtenant shall have commenced to cure said default within said twenty (20) days and cures the same with all reasonable dispatch), or permit this Sublease to be taken under any writ of execution or similar writ or order, then Sublandlord, besides other rights or remedies it may have under this Sublease or by law, shall have the right to:

(a) terminate Subtenant's right to possession of the premises at any time. No act by Sublandlord other than giving notice to Subtenant shall terminate this Sublease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on Sublandlord's initiative to protect Sublandlord's interest under this Sublease shall not constitute a termination of Subtenant's right to possession. On termination, Sublandlord has the right to recover from Subtenant:

(i) the worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this Sublease;

(ii) the worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this Sublease until the time of award exceeds the amount of loss of rent and that Subtenant proves could have been reasonably avoided;

(iii) the worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Subtenant proves could have been reasonably avoided; and

(iv) any other amount, and court costs, necessary to compensate Sublandlord for all detriment proximately caused by Subtenant's default; or,

(b) Sublandlord can continue this Sublease in full force and effect, and the Sublease will continue in effect as long as Sublandlord does not terminate Subtenant's right to possession, and Sublandlord shall have the right to collect rent when due. During the period Subtenant is in default, Sublandlord can enter the premises and relet them, or any part of them, to third parties for Subtenant's account. Subtenant shall be liable immediately to Sublandlord for all costs Sublandlord incurs in reletting the premises, including, without limitation, brokers' commissions, expenses of remodeling the premises required by the reletting, and like costs. Reletting can be for a period shorter or longer than the remaining term of this Sublease. Subtenant shall pay to Sublandlord the rent due under this Sublease on the dates the rent is due, less the rent Sublandlord receives from any reletting. No act by Sublandlord allowed by this Section shall terminate this Sublease unless Sublandlord notifies Subtenant that Sublandlord elects to terminate this Sublease. After Subtenant's right to possession of the premises, if Subtenant obtains Sublandlord's consent, Subtenant shall have the right to assign or sublet its interest in this Sublease, but Subtenant shall not be released from liability. Sublandlord's consent to a proposed assignment or subletting shall not be unreasonably withheld.

If Sublandlord elects to relet the premises as provided in this Section, rent that Sublandlord receives from reletting shall be applied to the payment of:

First, any indebtedness from Subtenant to Sublandlord other than rent due from Subtenant;

Second, all costs, including for maintenance, incurred by Sublandlord in reletting;

Third, rent due and unpaid under this Sublease. After deducting the payments referred to in this Section, any sum remaining from the rent Sublandlord receives from reletting shall be held by Sublandlord and applied in payment of future rent as rent becomes due under this Sublease. In no event shall Subtenant be entitled to any excess rent received by Sublandlord. If, on the date rent is due under this Sublease, the rent received from the reletting is less than the rent due on that date, Subtenant shall pay to Sublandlord, in addition to the remaining rent due, all costs, including for maintenance, Sublandlord incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

The failure or refusal of Sublandlord to relet the Premises shall not affect Subtenant's liability. The terms "entry" and "reentry" are not limited to their technical meanings. In the event of reentry by Sublandlord, Sublandlord may remove all persons and property from the Premises and such property may be stored in a public warehouse or elsewhere at the cost of, and for the account of, Subtenant, without notice or resort to legal process and without Sublandlord being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby. In the event Subtenant shall not remove its property from the leased

Premises within ten (10) days after Subtenant has vacated the Premises, then such property shall be deemed abandoned by Subtenant and Sublandlord may dispose of the same without liability to Subtenant. At any time that Subtenant has failed to pay rent or other charges within five (5) days after the same shall become due, thereafter Sublandlord shall not be obligated to accept any payment from Subtenant unless such payment is made in certified funds. For the purpose of this Section: "worth at the time of award" shall be computed by allowing interest at the rate of ten percent (10%) per annum.

Section 14.02. Legal Expenses. In the event that Sublandlord should retain counsel and/or institute any suit against Subtenant for violation of or to enforce any of the covenants or conditions of this Sublease or for recovery of possession of the leased Premises or to enforce any right of Sublandlord hereunder, or should Subtenant institute any suit against Sublandlord for violation of any of the covenants or conditions of this Sublease, or should either party institute a suit against the other for a declaration of rights hereunder, or should either party intervene in any suit in which the other is a party, to enforce or protect its interest or rights hereunder, the prevailing party shall be entitled to all of its costs, expenses, and reasonable fees of its attorney(s) in connection therewith.

Section 14.03. Interest on Unpaid Rent. Rent not paid when due shall bear interest from the date due until paid at the maximum rate an individual is permitted by law to charge.

Section 14.04. Late Charges. Subtenant acknowledges that late payment by Subtenant to Sublandlord of rent will cause Sublandlord to incur costs not contemplated by this Sublease, the exact amount of said costs being extremely difficult and impractical to fix. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Sublandlord by the terms of any encumbrance and note secured by any encumbrance covering the Premises. Therefore, if any installment of rent due from Subtenant is not received by Sublandlord prior to its delinquency, Subtenant shall pay to Sublandlord an additional sum of five (5%) percent of the overdue rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Sublandlord will incur by reason of late payment by Subtenant. Acceptance of any late charge shall not constitute a waiver of Subtenant's default with respect to the overdue amount or prevent Sublandlord from exercising any of the other rights and remedies available to Sublandlord.

Sublandlord at any time after Subtenant commits the default, can cure the default at Subtenant's cost. If Sublandlord at any time, by reason of Subtenant's default, pays any sum or does any act that requires the payment of any such, the sum paid by Sublandlord shall be due immediately from Subtenant to Sublandlord at the time the sum is paid, and if paid at a later date shall bear interest at the maximum rate an individual is permitted by law to charge from the date the sum is paid by Sublandlord until Sublandlord is reimbursed by Subtenant.

Section 14.05. Default by Sublandlord. Sublandlord shall not be in default unless Sublandlord fails to perform obligations required of Sublandlord within a reasonable time, but in no event later than fifteen (15) days after written notice by Subtenant to Sublandlord specifying therein that Sublandlord has failed to perform such obligation, provided, however, that if the nature of Sublandlord's obligation is such that more than fifteen (15) days are required for

performance, then Sublandlord shall not be in default in Sublandlord commences performance within such fifteen (15) day period and thereafter diligently prosecutes the same to completion.

Subtenant at any time after Sublandlord commits the default, can, at Subtenant's option, terminate this Sublease upon written notice to Sublandlord, or cure the default at Sublandlord's cost. If Subtenant at any time, by reason of Sublandlord's default, pays any sum or does any act that requires the payment of any such, the sum paid by Subtenant shall be due immediately from Sublandlord to Subtenant at the time the sum is paid, and if paid at a later date, shall bear interest at the maximum rate an individual is permitted by law to charge from the date the sum is paid by Subtenant until Subtenant is reimbursed by Sublandlord.

ARTICLE XV SUBORDINATION AND TENANT'S STATEMENT

Section 15.01. Subordination. Without the necessity of any additional document being executed by Subtenant for the purpose of effecting a subordination, and at the election of Sublandlord or any mortgagee or a mortgage or a beneficiary of a deed of trust now or hereafter encumbering all or any portion of the Premises, or any lessor of any ground or master lease now or hereafter affecting all or any portion of the Premises, including the City Lease, this Sublease shall be subject and subordinate at all times to such ground or master leases (and such extensions and modifications thereof) and to the lien of such mortgages and deeds of trust (as well as to any advances made thereunder and to all renewals, replacements, modifications and extensions thereof). Notwithstanding the foregoing, Sublandlord shall have the right to subordinate or cause to be subordinated any or all ground or master leases or the lien of any or all mortgages or deeds of trust to this Sublease. If any ground or master lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, at the election of Sublandlord's successor in interest, Subtenant shall attorn to and become the tenant of such successor. Subtenant hereby waives its rights under any current or future law which gives or purports to give Subtenant any right to terminate or otherwise adversely affect this Sublease and the obligations of Subtenant hereunder in the event of any such foreclosure proceeding or sale. Subtenant shall execute and deliver to Sublandlord within ten (10) days after receipt of written demand by Sublandlord and in the form reasonably required by Sublandlord, any additional documents evidencing the priority of subordination of this Sublease to any such ground or master lease or the lien of any such mortgage or deed of trust.

Section 15.02. Subtenant's Statement. Subtenant shall at any time and from time to time, upon not less than three (3) days prior written notice from Sublandlord, execute, acknowledge, and deliver to Sublandlord a statement in writing (a) certifying that this Sublease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Sublease as so modified is in full force and effect), and the date to which the rental and other charges were paid in advance, if any; and (b) acknowledging that there are not, to Subtenant's knowledge, any uncured defaults on the part of the Sublandlord hereunder, or specifying such defaults if they are claimed; and (c) setting forth the date of commencement of rents and expiration of the term hereof. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

Failure to deliver the certificate within the three (3) days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this Sublease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

If a party fails to deliver the certificate within the three (3) days, the party failing to deliver the certificate irrevocably constitutes and appoints the other party as its special attorney in fact to execute and deliver the certificate to any third party.

ARTICLE XVI NOTICE

Section 16.01. Notice. Whenever under the terms of or in connection with this Sublease it becomes necessary, appropriate, or desirable for Sublandlord or Subtenant to give notice to one another, said notice may be given by registered or certified United States Mail, with first class postage pre paid, addressed to Sublandlord at the following address: Mission Community Hospital, 14850 Roscoe Boulevard, Panorama City, CA 91402; or to Subtenant at San Fernando Community Health Center, Suite 100, 700 Chatsworth Drive, San Fernando, CA 91340. Either Sublandlord or Subtenant may at any time designate a new or different address to which notices are to be sent, which notice of a new or different address shall be given as hereinabove immediately provided. Any notice shall be effective as of the time that the same is personally delivered or as of the time that the same is properly deposited in the United States Mail, if such notice deposited in the United States Mail is given as herein provided.

ARTICLE XVII MISCELLANEOUS PROVISIONS

Section 17.01. Sale or Transfer of Premises. If Landlord or Sublandlord sells or transfers all or any portion of the property on which the Premises is located, Landlord and Sublandlord, on consummation of the sale or transfer, shall be released from any liability thereafter accruing under this Sublease if Sublandlord's successor has assumed in writing, for the benefit of Subtenant, Sublandlord's obligations under this Sublease. If any security deposit or prepaid rent has been paid by Subtenant, Sublandlord will transfer the security deposit or prepaid rent to Sublandlord's successor and on such transfer, Sublandlord shall be discharged from any further liability in reference to the security deposit or prepaid rent.

Section 17.02. Authority of Parties. If Subtenant is a corporation, each individual executing this Sublease on behalf of said corporation represents and warrants that he or she is duly authorized to execute and deliver this Sublease on behalf of said corporation, in accordance with a duly adopted resolution of the Board of Directors of said corporation, a copy of which shall be attached hereto, in accordance with the Bylaws of said corporation, and that this Sublease is binding upon said corporation in accordance with its terms.

Section 17.03. Surrender of Premises. On termination of the Sublease, Subtenant shall surrender to Sublandlord the Premises and all Subtenant's improvements and fixtures in good condition (except for ordinary wear and tear occurring after the last necessary maintenance by Subtenant and destruction to the Premises covered by the provisions of this Sublease, except

for fixtures which Subtenant has the right to remove or is obligated to remove under the provisions of this Sublease). Subtenant shall remove all of its personal property within the above stated time. Subtenant shall perform all restoration made necessary by the removal of any fixtures or Subtenant's personal property within the time period stated in this Section.

Sublandlord can elect to retain or dispose of in any manner any fixtures or Subtenant's personal property that Subtenant does not remove from the Premises on expiration or termination of the term as allowed or required by this Sublease by giving at least ten (10) days' notice to Subtenant. Title to any such fixtures or Subtenant's personal property that Sublandlord elects to retain or dispose of on expiration of the ten (10) day period shall vest in Sublandlord. Subtenant waives all claims against Sublandlord for any damage to Subtenant resulting from Sublandlord's retention or disposition of any such fixtures or Subtenant's personal property. Subtenant shall be liable to Sublandlord for Sublandlord's costs for storing, removing, and disposing of any fixtures or Subtenant's personal property.

If Subtenant fails to surrender the Premises to Sublandlord of expiration of ten (10) days after the termination of the term as required by this Section, Subtenant shall hold Sublandlord harmless from all damages resulting from Subtenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises.

Section 17.04. Holding Over. If Subtenant, without Sublandlord's consent, remains in possession of the Premises after expiration or termination of the term, or after the date in any notice given by Sublandlord to Subtenant terminating this Sublease, such possession by Subtenant shall be deemed to be a month to month tenancy terminable on thirty (30) days' notice given at any time by either party.

Section 17.05. Time of Essence. Time is of the essence of each provision of this Sublease.

Section 17.06. Successors. The covenants and conditions herein contained shall, subject to the provisions as to assignment and subletting, apply to and bind the heirs, successors, executors, administrators, and assigns of all of the parties hereto, and all of the parties hereto shall be jointly and severally liable hereunder.

Section 17.07. Addendum and Riders. Clauses, riders, and addendum, if any, affixed to this Sublease and agreed to by Sublandlord and Subtenant are a part hereof.

Section 17.08. Waiver. The waiver by either party of any term, covenant, or condition herein contained shall not be deemed to be a continuing waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by Sublandlord shall not be deemed to be a waiver of any preceding default by Subtenant of any term, covenant, or condition of this Sublease, other than the failure of the Subtenant to pay the particular rental so accepted, regardless of Sublandlord's knowledge of such preceding default at the time of the acceptance of such rent.

Section 17.09. Joint Obligation. If there be more than one Subtenant, the obligations hereunder imposed shall be joint and several.

Section 17.10. Marginal Headings. The marginal headings and titles to the Articles of this Sublease are not a part of this Sublease and shall have no effect upon the construction or interpretation of any part hereof.

Section 17.11. Recordation. Neither Sublandlord nor Subtenant shall record this Sublease, but a short form memorandum hereof may be recorded at the request of Sublandlord.

Section 17.12. Quiet Possession. Upon Subtenant paying the rent and other payments reserved hereunder and observing and performing all of the covenants and provisions on Subtenant's part to be observed and performed hereunder, Subtenant shall have quiet enjoyment of the Premises for the entire term hereof, subject to all of the provisions of this Sublease.

Section 17.13. California Law. This Sublease shall be construed and interpreted in accordance with the laws of the State of California without respect to the conflicts of law provisions thereof.

Section 17.14. Integrated Agreement; Modification; Conflicts with City Lease. This Sublease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Sublease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Sublease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Sublease shall not be effective or binding on any party until fully executed by both parties hereto. Notwithstanding anything to the contrary herein, in the event that any term in this Sublease contradicts or is in conflict with the City Lease, the terms of the City Lease shall prevail.

Section 17.15. Provisions are Covenants and Conditions. All provisions, whether covenants or conditions on the part of Subtenant shall be deemed to be both covenants and conditions.

Section 17.16. Terms Includes Extension; Definition. All references to the term of this Sublease or the Sublease term shall include any extensions of such term; and the term means the period of time during which Subtenant has a right to occupy the Premises.

Section 17.17. Number and Gender. When required by the context of this Sublease, the singular shall include the plural; the neuter gender shall include the feminine and masculine; and the word "person" shall include corporation, partnership, firm, or association.

Section 17.18. Inability to Perform. This Sublease and the respective obligations of Sublandlord and Subtenant hereunder shall not be affected or impaired because the Sublandlord or Subtenant, as applicable, is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond reasonable control of Sublandlord or Subtenant, as applicable.

Section 17.19. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity.

Section 17.20. Severability. The unenforceability, invalidity or illegality of any provision in this Sublease shall not render the other provisions unenforceable, invalid, or illegal.

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease the day and year first above written.

SUBLANDLORD

SAN FERNANDO COMMUNITY
HOSPITAL dba MISSION COMMUNITY
HOSPITAL, a California nonprofit corporation

By: _____
James K. Theiring, CEO

SUBTENANT

SAN FERNANDO COMMUNITY HEALTH
CENTER

By: _____
Name: _____
Its: _____

EXHIBIT "A"

CITY MASTER LEASE AGREEMENT

(SEE CITY OF SAN FERNANDO CONTRACT NO. 1485 AND 1485a)

EXHIBIT "B"

DESCRIPTION OF THE PROPERTY

THE LAND IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

PARCEL 1:

THOSE PORTIONS OF LOTS 8, 9, 10 AND 11 IN BLOCK 82 OF PORTER LAND AND WATER COMPANY'S RESURVEY OF THE TOWN OF SAN FERNANDO, IN THE CITY OF SAN FERNANDO, AS PER MAP RECORDED IN BOOK 34 PAGES 65 AND 66 OF MISCELLANEOUS RECORDS, LYING NORTHWESTERLY OF THE NORTHWESTERLY LINE OF TRACT 1817, AS PER MAP RECORDED IN BOOK 21 PAGE 55 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

LOTS 7 TO 12 INCLUSIVE OF TRACT 1817, IN THE CITY OF SAN FERNANDO, AS PER MAP RECORDED IN BOOK 21 PAGE 55 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

ALL THAT CERTAIN VACATED ALLEY, 15 FEET WIDE, IN THE CITY OF SAN FERNANDO, AS SHOWN ON THE MAP OF TRACT 1817, AS PER MAP RECORDED IN BOOK 21 PAGE 55 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND ADJOINING LOTS 7 AND 8 OF SAID TRACT 1817, ON THE NORTHWEST.

PARCEL 4:

LOTS 58 AND 59 OF TRACT 2824, IN THE CITY OF SAN FERNANDO, AS PER MAP RECORDED IN BOOK 28 PAGES 36 AND 37 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B" (CONTINUED)

FLOOR PLAN OF SUBLEASED SPACE ON PROPERTY

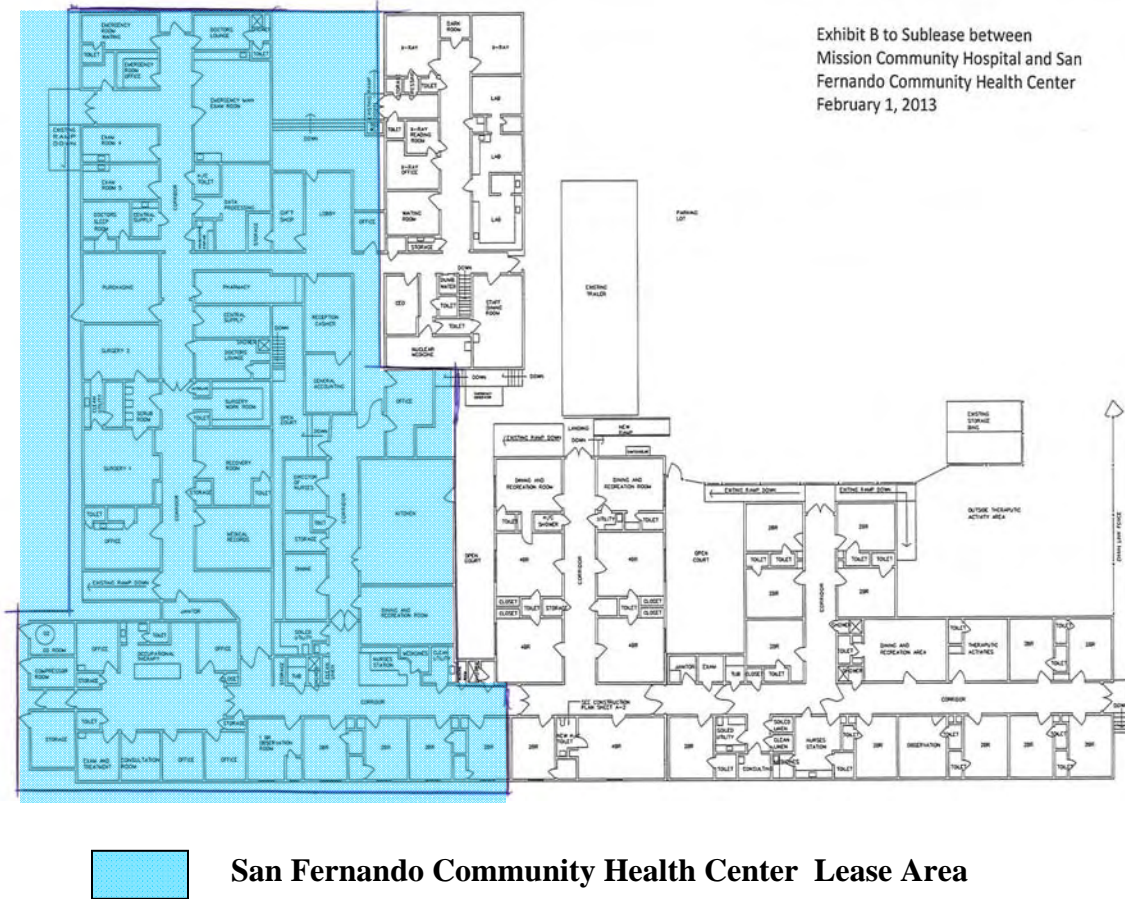


EXHIBIT "C"

LANDLORD'S FURNITURE

NONE.

EXHIBIT "D"

TENANT IMPROVEMENTS

Subtenant will be responsible for the work necessary to renovate and equip the 8,400 square foot space termed the "primary care clinic", which will include a 15-exam room primary care and subspecialty clinic. The Subtenant will be responsible for any tenant improvements in the adjacent space, which contains the existing Dental Clinic and the Diabetes Teaching Kitchen, as well as adjacent office space. In total, the Subtenant will be responsible for tenant improvements to approximately 17,115 square feet of space as indicated on Exhibit D: Page 2 (See attached). Notwithstanding the foregoing, any and all changes or improvements to the Building by Subtenant shall be subject to the prior written approval by Sublandlord and Master Landlord.

LEASE

by and between

CITY OF SAN FERNANDO,
a municipal corporation,

as Landlord

and

SAN FERNANDO COMMUNITY HOSPITAL,
a California non-profit corporation
dba Mission Community
Hospital,
as Tenant

700 CHATSWORTH DRIVE
SAN FERNANDO, CALIFORNIA

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EXHIBITS

Exhibit "A" – Legal Description of Land

LEASE

THIS LEASE (the "Lease") is dated as of September 15, 2003 and is entered into by and between THE CITY OF SAN FERNANDO, a municipal corporation ("Landlord"), and SAN FERNANDO COMMUNITY HOSPITAL, INC., a California non-profit public benefit corporation dba MISSION COMMUNITY HOSPITAL ("Tenant").

WHEREAS, as of the date of this Lease, Landlord is the owner of record of that certain land located in the City of San Fernando, County of Los Angeles, State of California commonly known as 700 Chatsworth Drive, San Fernando, California 91340, APN 2613-004-047, 48, 49, 50, 51, 54, that is more particularly described on Exhibit "A" attached hereto (the "Land") and the improvements located thereon. The land and improvements are hereinafter collectively referred to as the "Premises".

WHEREAS, the land consists of 72,450 square feet, or 1.66 acres. Three of the parcels are contiguous, and are located along the southerly portion of Chatsworth Drive between Mott and Woodworth Streets. These parcels are improved with a one-story plus partial basement, wood frame and concrete block/brick structure containing a gross area of 25,751 square feet in the larger building and 5,702 square feet in the adjoining building. The non-contiguous parcel is located along the northerly portion of Chatsworth Drive between Mott & O'Melveny Streets. This parcel is used exclusively for parking and contains a total of 13,600 square feet with 42 asphalt paved spaces.

WHEREAS, Tenant became the owner of the fee simple interest in the Premises by grant deed from San Fernando Hospital, a California corporation, dated May 18, 1976 and recorded on May 19, 1976 with the Los Angeles County Recorder's Office as Instrument No. 3378;

WHEREAS, on or about March 1, 1976, Tenant issued tax-exempt bonds (the "Bonds") designated "San Fernando Community Hospital First Mortgage Growth Revenue Bonds (Series A)" in the original principal amount of Two Million Nine Hundred Fifty Thousand Dollars (\$2,950,000.00) in order to finance the acquisition and partial reconstruction of the then-existing hospital facilities located on the Premises. The Bonds were secured by that certain Indenture of Mortgage and Deed of Trust dated as of March 1, 1976 (the "Indenture"), executed by Tenant in favor of Bank of California National Association as Trustee (the "Trustee").

WHEREAS, in connection with the Bonds, Tenant also executed that certain Declaration Re: Beneficial Interest of the City of San Fernando, California, in the San Fernando Community Hospital Facility dated May 16, 1976, recorded on May 19, 1976 with the Los Angeles County Recorder's Office as Instrument No. 3380 (the "Declaration");

WHEREAS, as set forth in Section 3 of the Declaration, the Articles of Incorporation and the Bylaws of the Tenant provide that after the Bonds are fully paid, Tenant must tender the Premises to the City of San Fernando so that the City of San Fernando may acquire the Premises without any consideration on its part and free and clear of liens thereon (this reversionary interest of the City of San Fernando in and to the Premises, as evidenced by the Declaration, is referred to herein as the "Reversionary Interest"). In furtherance of this goal, and pursuant to Section 4 of the Declaration, Tenant delivered an executed grant deed in favor of the City to the Trustee,

with irrevocable instructions to deliver the grant deed to the City upon the payment in full of the Bonds, at which time the conveyance of the Premises to the City shall become effective;

WHEREAS, in 1995, Tenant filed a Chapter 11 bankruptcy petition in federal court. On March 25, 1997, the United States Bankruptcy Court approved an Order Confirming Debtor's Fourth Amended Plan of Reorganization for Case No. SV 95-19523-GM (the "Fourth Amended Plan");

WHEREAS, Section 3.7 of the Fourth Amended Plan (i) extended the Reversionary Interest to March 1, 2005, and required that the Declaration be amended to provide that Tenant must, at all relevant times, operate the Premises as a hospital or healthcare-related facility to serve the needs of the San Fernando community; (ii) provides that any failure to satisfy the foregoing condition shall result in an immediate reversion of the Reversionary Interest; (iii) provides that in the event the Bonds are redeemed in full by Tenant before March 1, 2005, Tenant must pay to Landlord an amount equal to Fifty Thousand Dollars (\$50,000.00) per year for the period between the date the Bonds are retired (the "Retirement Date") and March 1, 2005, payable every six (6) months commencing on the sixth (6th) month anniversary of the Retirement Date, with the last payment due on March 1, 2005; and (iv) grants Tenant an option to lease the Premises, exercisable in writing no later than September 1, 2004, pursuant to which Tenant shall lease the Premises from Landlord for a period commencing on March 1, 2005 and ending on March 1, 2017, for an annual rental of Fifty Thousand Dollars (\$50,000.00), payable in equal monthly installments, on a "triple net" basis;

WHEREAS, the Bonds were retired on or about March 30, 2001; and

WHEREAS, Tenant has requested that Landlord enter into the lease described in Section 3.7 of the Fourth Amended Plan;; and

WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, the Premises, subject to and in accordance with the terms and conditions hereinafter set forth.

ARTICLE 1 PREMISES

1.1 Demise. Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord, subject in each case to: (i) all covenants, conditions, restrictions, easements and other matters of record and any other matters affecting title thereto (including matters visible upon inspection or that would be revealed by an ALTA survey), and (ii) the terms and conditions hereinafter set forth.

1.2 Condition of Land and Premises. Tenant acknowledges that it has been the occupant of the Premises since 1976 and has had full opportunity to investigate the Premises and has full knowledge of the condition of the Premises. Tenant accepts the Premises in its current "AS-IS" condition, with all faults, as of the execution of this Lease. Except as expressly provided herein, Tenant acknowledges that neither Landlord nor any agent or employee of Landlord has made any representation, express or implied, as to the condition of the Premises or the suitability of the same for Tenant's intended use. Tenant represents and warrants that Tenant

has made its own inspection of and inquiry regarding the condition of the Premises and is not relying on any express or implied representations of Landlord, any agent or employee of Landlord, or any broker with respect thereto.

ARTICLE 2

TERM

2.1 Term. The term of this Lease ("Lease Term") shall commence at 12:00 a.m. on October 1, 2003 ("Commencement Date") and terminate on 12:00 a.m. on March 1, 2017, unless sooner terminated in accordance with the terms hereof. As used herein the term "Lease Year" shall mean the twelve (12) month period commencing on the Commencement Date and each successive twelve (12) month period thereafter during the term hereof.

2.2 Holdover. If Tenant holds over or otherwise fails to comply with Article 21 hereof after the expiration or earlier termination of the Lease Term without the express written consent of Landlord, Tenant shall become a tenant at sufferance only, and the Base Rent for such holdover period shall be equal to the lesser of (i) two hundred percent (200%) of the Base Rent in effect upon the date of such expiration and otherwise subject to the terms, covenants and conditions herein specified, or (ii) the fair market rental rate (i.e., the rental rate for similar premises determined by taking into account any current actual rates, term, creditworthiness of the tenant, commissions and other market concessions for premises of comparable size, quality and (to the extent available) uses in Los Angeles County) for the Premises, as determined in good faith by Landlord. Acceptance by Landlord of rent or any other payment after such expiration or earlier termination of this Lease shall not constitute Landlord's consent to a holdover hereunder or result in a renewal. The foregoing provisions of this Section 2.2 are in addition to and shall not be deemed to limit or constitute a waiver of Landlord's right of re-entry or any rights of Landlord or Tenant under this Lease or otherwise provided by law or equity. If Tenant fails to surrender the Land or to otherwise comply with Article 21 hereof upon the expiration or earlier termination of this Lease without Landlord's express written consent, Tenant shall indemnify and hold Landlord harmless from all loss, liability, cost, damage and expense, including without limitation, attorneys' fees and costs, arising from or relating to Tenant's failure to surrender or to otherwise comply with Article 21 hereof, including, without limitation, any claim made by any succeeding tenant, founded on or resulting from such failure to surrender.

ARTICLE 3

RENT

3.1 Base Rent. Tenant shall pay to Landlord annual base rent ("Base Rent") of Four Thousand One Hundred Sixty-Six and 66/100 Dollars (\$4,166.66) per month, prorated for any partial months at the beginning or end of the Lease Term. Unpaid installments of rent and other unpaid monetary obligations of Tenant under the terms of this Lease shall bear interest from the date due at the lesser of: (i) ten percent (10%) per annum; or (ii) the maximum rate then allowable by law (the "Interest Rate").

3.2 Late Payment Damages. Tenant hereby acknowledges that the late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not

contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if Landlord or Landlord's designee fails to receive any installment of rent or any other charge or sum due from Tenant hereunder within ten (10) business days after such amount shall be due, and without any requirement for notice to Tenant, Tenant shall pay to Landlord, in addition to interest accrued, a late charge equal to four percent (4%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. All monetary obligations of Tenant to Landlord under the terms of this Lease, including but not limited to rent, late charges, interest, insurance premiums, and real estate taxes, are deemed to be rent hereunder (collectively, "Rent").

3.3 Manner and Time of Payment. Tenant shall pay the Base Rent to Landlord monthly in advance, on the first day of each calendar month, without demand, prior notice, set off, abatement or deduction, except that the payment for the first month (or partial month) of the Lease Term shall be delivered to Landlord concurrently with Tenant's execution and delivery of this Lease.

3.4 Form of Payment of Rent. All Rent provided for herein shall be paid to Landlord in lawful money of the United States of America in cash or by check at the address of Landlord set forth herein, or at such other place and/or to such other person, as Landlord may from time to time designate in writing.

3.5 Partial Payments of Rent. Landlord's acceptance of a payment of Base Rent, or any other payment under this Lease which is less than the amount then due shall not be a waiver of Landlord's right to the balance of such payment, nor shall any endorsement or statement on any check or any correspondence accompanying any check or payment be or be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or other payment or to pursue any other right or remedy under this Lease.

3.6 Rent Defined. The term "Rent" when used in this Lease shall mean not only the Base Rent but also any and all other sums, changes and payments to be made by Tenant to Landlord under this Lease.

ARTICLE 4 TAXES AND IMPOSITIONS

4.1 Impositions. Tenant shall pay and discharge before the day when the same become delinquent, any and all taxes, assessments, rates, charges, license fees, municipal liens, levies, excises, or imposts, whether general or special, or ordinary or extraordinary, of every name, nature and kind whatsoever, including all governmental charges of whatsoever name, nature or kind which may now or hereafter be levied, assessed, charged or imposed against or which may become a lien or charge upon the Premises or any part thereof, or upon Landlord's estate hereby created or upon Landlord by reason of its ownership of the fee underlying this

Lease (collectively, "Impositions"). Landlord shall have no obligation to pay or discharge any Imposition or any penalties or interest resulting from late payment, except to the extent that Landlord did not provide Tenant sufficient information for the timely payment of any Imposition, penalty or interest not less than thirty (30) days prior to the date that such payment would become delinquent. Tenant, at its sole cost and discretion, may apply for tax-exempt status of the Premises and Landlord shall take such action to assist Tenant with obtaining such designation for the Premises as reasonably requested by Tenant.

4.2 Proration of Taxes. All of the taxes, assessments, charges, imposts and levies of any nature whatsoever, which shall relate to a fiscal year during which the Lease Term shall commence or terminate, shall be prorated between Landlord and Tenant as of the commencement or termination date, as applicable.

4.3 Evidence of Payment. Within fifteen (15) days after written request of Landlord, Tenant shall obtain and deliver to Landlord evidence of payment of all Impositions, including, without limitation, receipts or duplicate receipts.

4.4 Assessment Districts. If any governmental entity or agency shall undertake to create an improvement or special assessment district, the proposed boundaries of which include any portion of the Premises, Tenant shall not support the same without the prior written consent of Landlord. In the event Tenant receives any notice or other information relating to the proposed creation of any such district, Tenant shall immediately advise Landlord in writing of such receipt and shall provide Landlord with a copy of such notice or information. In the event that any such improvement or assessment district is created, all taxes, assessments, charges, levies, or imposts arising therefrom shall be paid by Tenant as an Imposition hereunder; provided, however, if Landlord has the option to elect that any tax, assessment, charge, levy or impost to finance such a special improvement be payable in installments, then Landlord shall make such election, and Tenant shall only be required to pay such installments as shall become due and payable during the Lease Term (as it may be extended), appropriately prorated for the years at the commencement and termination of the Lease Term (as it may be extended).

4.5 Duty to File Declarations. Tenant alone shall make or file any declaration, statement or report which may be provided or required by law as the basis of or in connection with the determination, equalization, reduction or payment of any and every Imposition which is to be borne or paid or which may become payable by Tenant under the provisions of this Article 4, and Tenant shall promptly give Landlord copies thereof. Landlord shall not be or become responsible to Tenant therefor, nor for the contents of any such declaration, statement or report.

4.6 Payment Through Landlord. In case any person or entity to whom any sum is directly payable by Tenant under this Article 4 shall refuse to accept payment of such sum from Tenant, and Tenant knows or has reason to believe that its payment will be refused, Tenant shall pay such sum directly to Landlord not less than fifteen (15) days prior to its being due, and Landlord shall thereupon pay such sum to such person or entity. Landlord shall not be responsible for any late charge or penalty that may be assessed in connection therewith.

4.7 Personal Property. Throughout the Lease Term, Tenant shall pay and discharge, when and as the same become due, directly to the taxing authority, all taxes, assessments and

other charges imposed or levied upon any personal property situated in, on or about the Premises. Tenant shall use commercially reasonable efforts to cause such personal property taxes to be levied or assessed separately from the Premises.

ARTICLE 5 TRIPLE NET LEASE

This Lease is intended to be net to the Landlord, and Tenant shall pay to Landlord, net throughout the Term, the rent prescribed by Article 3 free of any offset, abatement, or other deduction, except as may be expressly set forth herein. Landlord shall not be required to make any payment of any kind with respect to the Premises except as may be expressly set forth herein. Accordingly, Tenant agrees to pay as additional rent all other payments, costs, expenses, charges, and other obligations of every kind whatsoever arising from or related to the Premises and the operation thereof, including, but not limited to, all services and utilities, insurance premiums, real property taxes, rates, assessment, and assessment installments, as they become due and payable during the Term, except as otherwise described herein. Tenant shall make those payments at whatever time necessary to prevent delinquency or penalty for late payment unless Tenant has duly contested the payments in the manner prescribed in this Lease.

ARTICLE 6 PERMITS AND APPROVALS

6.1 Governmental Approvals. Tenant acknowledges and agrees that it shall be the responsibility of Tenant to obtain, at Tenant's sole cost and expense, any and all governmental approvals, including, but not limited to, all permits, licenses, variances, zoning changes, which are required by any governmental or regulatory authority in connection with the construction, use, occupancy or operation of the Premises or the conduct of Tenant's business upon the Premises (hereinafter referred to collectively as "Governmental Approvals").

6.2 No Representations. Landlord makes no representations or warranties concerning the Premises or any matters with respect thereto. Landlord has made no investigation of the status of the zoning or other governmental laws, statutes, ordinances, rules, regulations, actions or approvals affecting or regulating the Premises or its operation and Tenant is entering into this Lease based on its own investigation and analysis of the Premises and all such matters pertaining thereto.

ARTICLE 7 MAINTENANCE, REPAIR AND ALTERATIONS

7.1 Maintenance and Repair.

7.1.1 Tenant's Obligations. Tenant covenants and agrees, at all times during the Lease Term (as it may be extended) to maintain and keep the Premises, at its sole cost and expense, in compliance with (1) all applicable laws, rules, ordinances, orders and regulations, and all changes thereto (whether or not they require alterations to the Premises) and (2) the requirements of all insurance companies insuring all or any part of the Premises. Notwithstanding the foregoing, in the event the Premises require repairs or alterations in accordance with this Section in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00)

the parties agree that in its sole option, Tenant may terminate this Lease upon ninety (90) days prior written notice.

7.1.2 Landlord's Obligations. It is intended by the parties hereto that Landlord have no obligation, in any manner whatsoever, to modify, alter, improve, repair or maintain the Premises, all of which obligations are intended to be those of Tenant. It is the intention of the parties hereto that the terms of this Lease govern the respective obligations of the parties as to maintenance and repair of the Premises and the making of improvements or alterations required by law, and they expressly waive the benefit of any law, rule, regulation, statute or court decision now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.2 Alterations. Tenant may not make improvements, additions or alterations to the Premises in an amount exceeding Fifty Thousand Dollars (\$50,000.00) ("Alterations") without Landlord's prior written consent, which shall not be unreasonably withheld, after receipt of plans and specifications therefor and satisfaction of the following additional conditions:

7.2.1 No Alterations shall be undertaken until Tenant shall have procured and paid for, so far as the same may be required, from time to time, all permits and authorizations of all governmental authorities having jurisdiction.

7.2.2 All Alterations shall be reasonably pursued to completion and done in reasonable workmanlike manner and in compliance with all applicable permits and authorizations and all applicable laws.

7.2.3 Before any work of demolition or construction is commenced, Tenant shall notify Landlord of Tenant's intention to commence any Alterations in or to the Premises or other Improvements at least ten (10) business days before commencement. Landlord shall have the right to go upon and inspect the Premises at all reasonable times upon not less than twenty-four (24) hours prior written notice, and shall also have the right at any time to post and keep posted thereon notices of non-responsibility or such other notices which Landlord may deem to be proper for the protection of Landlord's interest in the Premises.

7.2.4 Tenant shall indemnify, defend and hold Landlord and its agents and employees harmless from and against all claims, liabilities, damages, costs and expenses (including without limitation, attorneys' fees) arising out of or with respect to liens for labor or materials supplied or claimed to be supplied in connection with Alterations done by or for Tenant. Should Tenant fail to fully discharge or remove any such lien within twenty (20) days, Landlord, at its option, may remove such lien by payment of the sum claimed or bonding. Any amounts so paid by Landlord, together with interest thereon at a rate equal to the Interest Rate from the time of payment until repayment, shall be repaid by Tenant within ten (10) business days after written demand by Landlord.

7.2.5 Prior to making any Alterations, Tenant and Tenant's subcontractors and agents shall obtain Workers' Compensation and Builder's Risk and Liability Insurance covering all persons employed in connection with such demolition or construction and with respect to whom death or bodily injury claims could be asserted against Landlord, Tenant or the Premises.

7.2.6 Upon the substantial completion of any Alteration, Tenant shall promptly prepare and deliver to Landlord, at Tenant's cost, a complete set of as-built plans showing the Alterations as constructed.

7.2.7 Landlord's review and approval of Alterations or plans therefor shall not constitute an assumption of any liability for the design, engineering or structural integrity of the Alterations proposed to be erected or performed by Tenant.

ARTICLE 8 INSURANCE

8.1 Insurance. Tenant shall maintain or cause to be maintained, at its sole cost and expense, the following insurance with respect to the Premises:

8.1.1 Liability Insurance. Comprehensive general liability insurance against any and all liability of the insured for personal injury, death, or property damage with respect to or arising out of the ownership, maintenance, use or occupancy of the Premises, and all operations incidental thereto including, but not limited to, structural alterations, new construction and demolition, including a broad form commercial general liability endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in this Lease, the insurance to have limits of not less than Five Million Dollars (\$5,000,000.00), for bodily injury, personal injury and property damage liability.

8.1.2 Worker's Compensation Insurance. Worker's Compensation insurance covering all persons employed by Tenant in the conduct of its business on the Premises, or as required by law from time to time.

8.1.3 Special Cause of Loss. "Special Cause of Loss" property insurance on the improvements in an amount not less than the full insurable value on a replacement cost basis of the improvements on the Land and Tenant's trade fixtures. During all construction periods, such policy shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" with no coinsurance requirement and shall contain a provision granting the insured permission to complete.

8.2 Policy Requirements. All insurance required under this Lease shall: (A) have Landlord named as additional insured; (B) state that the insurance afforded to each of the above-named insureds shall be primary insurance and any other valid and collectible insurance available to either of the insureds shall be excess insurance and under no circumstances shall be considered contributory; (C) provide that coverage shall not be revised, canceled or reduced until at least thirty (30) days written notice of such revision, cancellation or reduction has been given to Landlord (except in the event of cancellation for nonpayment of premium, which notice shall be provided at least ten (10) days prior to cancellation); and (D) be issued by insurance companies which are qualified to do business in the State of California and having a rating of not less than A-VIII in Best's Insurance Guide.

8.3 Blanket Policy. Any or all insurance required under this Lease may be part of a blanket policy or policies of insurance maintained by Tenant covering the risks to be insured against under this Lease so long as the coverage required under this Lease is not diminished.

8.4 Right of Landlord to Obtain Insurance. Prior to the Commencement Date, and thereafter not less than thirty (30) days prior to the expiration date of each policy theretofore furnished pursuant to this Article 8, Tenant shall deliver to Landlord, in the manner required for notices, copies or certificates of all insurance policies required by this Lease or, alternatively, proof acceptable to Landlord that such insurance has been or will be obtained prior to the Commencement Date or the expiration date of such policies, as applicable. If Tenant fails or refuses to procure or to maintain insurance as required by this Lease, or fails or refuses to furnish Landlord with proof acceptable to Landlord that the insurance has been or will be procured within five (5) business days following Landlord's demand for such proof, Landlord shall have the right, at Landlord's election, to procure and maintain such insurance, in addition to all other rights and remedies Landlord may possess on account of such default. The premiums paid by Landlord in such event shall be treated as rent due from Tenant to be paid on the first day of the next month following the date on which the premiums were paid, with interest at a rate equal to the Interest Rate from the time of payment until repayment. Landlord shall give prompt notice of the payment of such premiums, stating the amounts paid and the names of the insurer or insurers to whom such premiums were paid.

8.5 Waiver of Subrogation. Landlord and Tenant each agree to have their respective insurance companies issuing insurance with respect to the Premises waive any rights of subrogation that such companies may have against Landlord or Tenant, as the case may be. Landlord and Tenant hereby waive any and all rights of recovery against the other, or against the officers, employees, agents and representatives of such other party, for loss of or damage to such waiving party or its property or the property of others under its control, arising from any cause insured against under any insurance policies required to be carried by this Article 8 or under any other policy of insurance carried by such waiving party, to the full extent permitted by such policies.

ARTICLE 9 DAMAGE AND DESTRUCTION

9.1 Landlord's Rights and Obligations. If the Premises or any part are damaged by fire or other casualty to an extent not exceeding twenty-five percent (25%) of the full replacement cost thereof, and Landlord's contractor estimates in a writing delivered to the parties that the damage thereof is such that the Premises may be repaired, reconstructed or restored to substantially its condition immediately prior to such damage within one hundred twenty (120) days from the date of such casualty, and Landlord will receive insurance proceeds sufficient to cover the costs of such repairs, reconstruction and restoration (including proceeds from Tenant and/or Tenant's insurance which Tenant is required to deliver to Landlord pursuant to Section 9.2 below), then Landlord shall commence and proceed diligently with the work of repair, reconstruction and restoration and this Lease shall continue in full force and effect. If, however, the Premises is damaged to an extent exceeding twenty-five percent (25%) of the full replacement cost thereof, or Landlord's contractor estimates that such work of repair, reconstruction and restoration will require longer than one hundred twenty (120) days to complete, or Landlord will not receive insurance proceeds (and/or proceeds from Tenant as applicable) sufficient to cover the costs of such repairs, reconstruction and restoration, then Landlord may elect to either: (a) repair, reconstruct and restore the portion of the Premises damaged by such casualty, in which case this Lease shall continue in full force and effect; or (b)

terminate this Lease effective as of the date which is thirty (30) days after Tenant's receipt of Landlord's election to so terminate. Under any of the conditions of this Section 9.1, Landlord shall give written notice to Tenant of its intention to repair or terminate within the later of sixty (60) days after the occurrence of such casualty, or fifteen (15) days after Landlord's receipt of the estimate from Landlord's contractor. Landlord's contractor shall deliver a written estimate to both Landlord and Tenant pursuant to this Section within thirty (30) days of Tenant's notifying Landlord of any damage to the Premises.

9.2 Tenant's Costs and Insurance Proceeds. In the event of any damage or destruction of all or any part of the Premises, Tenant shall immediately notify Landlord thereof and deliver to Landlord all insurance proceeds received by Tenant with respect to the Premises (whether or not this Lease is terminated as permitted in this Article 9), and Tenant hereby assigns to Landlord all rights to receive such insurance proceeds. If Tenant fails to receive insurance proceeds covering the full replacement cost of any portion of the Premises, which Tenant is required to insure pursuant to this Lease, upon any damage or destruction thereto, Tenant shall immediately pay to Landlord the full replacement cost of such items, less any insurance proceeds actually received by Landlord from Landlord's or Tenant's insurance with respect thereto.

9.3 Abatement of Rent. If as a result of any such damage or destruction of the Premises, Tenant is actually prevented from using, and does not use, the Premises or any portion thereof for five (5) consecutive business days (the "Eligibility Period"), then the rent shall be abated or reduced, as the case may be, during the period after the expiration of the Eligibility Period that Tenant continues to be so prevented from using and does not use the Premises or portion thereof, in the proportion that the rentable square feet of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable square feet of the Premises. Notwithstanding the foregoing to the contrary, if the damage or destruction is due to the negligence or willful misconduct of Tenant, there shall be no abatement of rent. Except for abatement of rent as provided herein above, Tenant shall not be entitled to any compensation or damages for loss of, or interference with, Tenant's business or use or access of all or any part of the Premises resulting from any damage or destruction, repair, reconstruction or restoration.

9.4 Inability to Complete. Notwithstanding anything to the contrary contained in this Article 9, if Landlord is obligated or elects to repair, reconstruct and/or restore the damaged portion of the Premises pursuant to Section 9.1 above, but is delayed from completing such repair, reconstruction and/or restoration beyond the date which is six (6) months after the date estimated by Landlord's contractor for completion thereof pursuant to Section 9.1, by reason of any causes beyond the reasonable control of Landlord (including, without limitation, any acts of God, war, terrorism, governmental restrictions, and delays caused by Tenant), then Landlord may elect to terminate this Lease upon thirty (30) days' prior written notice to Tenant.

9.5 Waiver of Statutory Provisions. The provisions of this Lease, including this Article 9, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, and any statute or regulation of the state in which the Premises are located, including, without limitation, Sections 1932(2) and 1933(4), and 1941 and 1942 of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between

the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises.

ARTICLE 10 EMINENT DOMAIN

10.1 Total Taking. If (i) the whole of the Premises shall be taken in any Condemnation Proceedings (as defined below), or (ii) if a portion of the Premises shall be taken as to make it imprudent or unreasonable to use the remaining portion for the purposes permitted by this Lease, or (iii) if access to the Premises is substantially impaired as a result of any taking (a "Total Taking"), then this Lease shall terminate and expire on the date of surrender of possession of the Premises, or such portion thereof, to the condemning authority. Tenant shall continue to pay the rent hereunder and, in all other respects, observe and perform all of the terms, covenants, agreements, provisions, conditions and limitations of this Lease to be observed and performed by Tenant until the date of surrender of possession. "Condemnation Proceeding" shall mean the exercise of any power or right of eminent domain or condemnation by those authorized to exercise such right, or any agreement between Landlord and those authorized to exercise such rights.

10.2 Partial Taking. If only a part of the Premises shall be permanently taken, and the taking of such part does not make it unreasonable to use the remaining portion thereof for the then current use of the Premises as determined by Tenant, in its sole discretion (a "Partial Taking"), Landlord or Tenant may have the right to terminate this Lease upon thirty (30) days' prior written notice to the other party, but not later than thirty (30) days of such taking. If neither party terminates this Lease, and a portion of the Premises is taken, Landlord shall make any repairs necessary to restore the functionality of the remaining Premises (but only to the extent Landlord receives proceeds therefor from the condemning authority), and rent shall be abated with respect to the part of the Premises taken. Landlord shall be entitled to receive the entire amount of any award or payment made in connection with such taking, except that Tenant may file a separate claim against the condemning authority for the taking of Tenant's personal property within the Premises and for Tenant's relocation expenses, provided such claims are separately payable to Tenant.

10.3 Temporary Taking. If the temporary use of the whole or any part of the Premises shall be taken by any Condemnation Proceeding for a period of not more than one hundred twenty (120) consecutive days (a "Temporary Taking"), (i) Tenant shall give prompt notice thereof to Landlord, (ii) the Lease Term (as it may have been extended) shall not be reduced or affected in any way, (iii) Tenant shall continue to pay in full the annual Base Rent and other charges herein reserved without reduction or abatement, (iv) except to the extent prevented by reason of any order of the condemning authority, Tenant shall continue to perform and observe all of the other covenants, conditions and agreements of this Lease to be performed or observed by Tenant; and (v) Tenant shall be entitled to receive from the award (if any) made by the applicable government authority, any amounts properly allocated to the temporary loss of use of the Premises by Tenant.

10.4 Entitlement to Condemnation Award. Except as expressly provided in other provisions of this Lease, condemnation awards and/or payments shall be the property of

Landlord, whether such awards shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages without regard to whether or not this Lease is terminated pursuant to the provisions of this Article 10 provided, however, that (i) Tenant shall be entitled to receive the portion of any award designated as compensation for Tenant's personal property and fixtures, and (ii) in the event this Lease is terminated pursuant to the provisions of this Article 10, Tenant shall also be entitled to sums specifically awarded to Tenant for Tenant's relocation and moving expenses.

10.5 Landlord Appointed Attorney-in-Fact. In the event any action is filed to condemn the Land, the improvements thereon, Tenant's leasehold estate or any part thereof, by any public or quasi-public authority under the power of eminent domain, or in the event that any action is filed to acquire the temporary use of the Land, the improvements thereon, Tenant's leasehold estate or any part thereof, or in the event that any such action is threatened or any public or quasi-public authority communicates to Landlord or Tenant its desire to acquire the Land, the improvements thereon, Tenant's leasehold estate or any part thereof, or the temporary use thereof, by a voluntary conveyance or transfer in lieu of condemnation, then Tenant shall give prompt notice thereof to Landlord after Tenant obtains actual knowledge of same. Tenant shall reasonably cooperate in a commercially reasonable and timely manner with Landlord to maximize any award. No agreement, settlement, conveyance or transfer to or with the condemning authority shall be made without the consent of Landlord.

10.6 Waiver. Landlord and Tenant agree that the terms of this Lease shall govern the effect of any Total Taking, Partial Taking or Temporary Taking and hereby waive the provisions of any present or future law, rule, regulation, statute or court decision, including, without limitation, Section 1265.130 of the California Code of Civil Procedure, to the extent inconsistent herewith.

ARTICLE 11 UTILITIES

11.1 Payment. Tenant agrees to pay, as and when due, all charges for utilities, including, without limitation, water, sewer, oil, gas, telephone, electricity and public utilities (hereinafter collectively referred to as "utilities") incurred by Tenant in connection with its or any other's use of the Premises. No interruption in any utilities shall result in an abatement of Rent hereunder or entitle Tenant to terminate this Lease, except to the extent such interruption is directly caused by Landlord or any of its officers, employees, agents or contractors.

11.2 Installation. Tenant shall pay any and all fees or other charges for the installation of or connection to oil, gas, electricity, water, telephone, sanitary sewer, storm or drainage sewer, and any and all other utilities as Tenant may require for its intended use of the Premises.

ARTICLE 12 LANDLORD'S ACCESS AND INFORMATION

12.1 Inspections. Tenant will permit Landlord and its authorized agents and representatives to enter the Premises at all reasonable times for the purposes of protecting

Landlord's interest in the Premises and investigating whether Tenant is complying with this Lease upon at least twenty-four (24) hours' notice to Tenant.

12.2 Showing Premises. Landlord shall also have the right to enter the Premises at any time for the purpose of exhibiting the same to prospective purchasers or mortgagees, for the purpose of showing the same to prospective tenants, provided that any such entry shall cause as little disturbance to Tenant as reasonably practicable, and Tenant receives at least twenty-four (24) hours' prior written notice from Landlord.

12.3 Information. In the event Landlord contemplates a sale of its interest in the Land or undivided interest therein, or if required by a Fee Mortgagee or prospective Fee Mortgagee (as defined in Article 17), Landlord may request in writing from Tenant and Tenant, within thirty (30) days after such request, shall deliver to Landlord copies of the then current financial statements of Tenant and its constituent owners (collectively, the "Information"). All such Information shall be held by Landlord in confidence for Landlord's own use, except the same may be disclosed to Landlord's professional advisors, to prospective purchasers of the Premises and to Fee Mortgagees and prospective Fee Mortgagees; provided that any such disclosure shall be subject to the agreement by the party receiving the Information that the same shall be held in confidence.

ARTICLE 13 USE

13.1 Use. Subject to Article 6 above and Sections 13.3 and 14.1 below, Tenant may use the Premises as a hospital or healthcare-related facility that serves the needs of the San Fernando community, in accordance with the Fourth Amended Plan, and for healthcare-related training, services and activities and healthcare career counseling. No other uses shall be permitted without the written consent of the Landlord, which consent may be withheld in the sole and absolute discretion of Landlord. In no event shall Tenant use or permit the use of the Premises in any manner which (a) creates a nuisance or an unreasonable annoyance to persons outside the Premises, (b) violates any law, or (c) is determined by Landlord in its good faith discretion to be an objectionable or inappropriate use of public property.

13.2 Manner of Use. Tenant agrees that it will use the Premises in such a manner so as not to interfere with or infringe upon the rights of occupants of land surrounding the Premises.

13.3 Compliance with Law. Tenant shall, at its sole cost and expense, promptly comply with all applicable laws, statutes, rules, ordinances, orders, and governmental regulations, or requirements now in force or which may hereafter be in force relating to or affecting the Premises (including but not limited to applicable changes in the building and safety codes), and the cleanliness, safety, occupancy and use of the Premises.

ARTICLE 14 ASSIGNMENT AND SUBLETTING

14.1 Consent Required. Tenant shall not assign, sublet, transfer, encumber, or otherwise convey all or any portion of the Premises and/or this Lease, voluntarily, involuntarily, or by operation of law (each, a "Transfer") without the prior written consent of Landlord and the

Committee (as defined in Section 14.2 below). Such consent shall not be unreasonably withheld, so long as the Transfer results in the continued use of the Premises for dental, podiatric and optometric clinical teaching programs with which the Tenant shall have professional affiliation agreements, health education programs, or for Partners-in-Care Foundation, a nonprofit California public benefit corporation.

14.2 Premises Advisory Committee. Tenant and Landlord shall establish a Premises Advisory Committee ("Committee") made up of an equal number of members appointed by Landlord and by Tenant. Committee shall discuss and make recommendations to the Landlord about assigning, subletting, transferring, encumbering, or otherwise conveying the Premises or any part thereof. The Committee shall also facilitate communications between Landlord and Tenant regarding Tenant plans for the exterior design aesthetics of the Premises and for issues of concern to the Committee that arise from renovation at the Premises or from day-to-day operation of programs at the Premises.

14.3 Additional Conditions. Landlord's consent shall also be conditioned upon the following:

14.3.1 The proposed transferee shall agree in writing to perform faithfully and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease, which agreement shall be delivered to Landlord prior to the effective date, and such Transfer (and any consent theretofore given by Landlord) shall not be binding upon Landlord unless it is timely delivered to Landlord;

14.3.2 In no event shall the consent by Landlord to a Transfer be construed as relieving Tenant, or any transferee (for a Transfer by that transferee) from obtaining the express written consent of Landlord to any further Transfer for which consent is required; and

14.3.3 There shall not be an existing Event of Default of Tenant hereunder.

14.4 Excess Rent. If Tenant sublets, assigns or otherwise transfers its interest in this Lease and at any time receives Excess Rent (as hereinafter defined), Tenant shall pay to Landlord fifty percent (50%) of the Excess Rent received by Tenant. Tenant shall furnish Landlord with a sworn statement, certified by an officer of Tenant or an independent certified public accountant, setting forth in detail the computation of Excess Rent, and Landlord, or its representatives, shall have access to the books, records and papers of Tenant in relation thereto, and the right to make copies thereof. If a part of the consideration for such sublease or assignment shall be payable other than in cash, the payment to Landlord shall be payable in such form as is reasonably satisfactory to Landlord. The term "Excess Rent" shall mean the excess, if any, of (i) all amounts received or to be received in the form of cash, cash equivalents, and non-cash consideration by Tenant from any assignee or sublessee over (ii) the Base Rent payable to Landlord hereunder (or, in the case of a sublease of a portion of the Premises, the portion of the Base Rent which is allocable on a per square foot basis to the space sublet), plus the amount of any reasonable brokers' commissions, costs of tenant improvements and reasonable legal fees incurred by Tenant in connection with such assignment or sublease, all of which shall be, in the case of a sublease, amortized over the term of the sublease for the purpose of calculating the amounts of the periodic payments due to Landlord hereunder.

14.5 Violations Void; Remedies. Any Transfer which is not in compliance with the provisions of this Article 14 shall be void and shall constitute an Event of Default under Article 15 below. No collection or acceptance of Rent by Landlord from any person other than Tenant shall be deemed a waiver of any provision of this Article 14 or the acceptance of any transferee hereunder, or a release of Tenant (or of any successor of Tenant or any transferee).

14.6 Transfer of Landlord's Interest. In the event of any sale or other transfer of Landlord's entire interest in the Land to any party, Landlord shall be automatically relieved of any and all obligations and liabilities on the part of Landlord under this Lease arising after the date of such transfer.

ARTICLE 15 DEFAULTS AND REMEDIES

15.1 Default. Each of the following acts or omissions of Tenant, or occurrences, shall constitute an "Event of Default":

15.1.1 Failure or refusal to pay Rent hereunder within five (5) calendar days after written notice from Landlord that the same is due or payable hereunder; the five (5) day period shall be in lieu of, and not in addition to, the notice requirements of Section 1161 of the California Code of Civil Procedure or any similar or successor law;

15.1.2 Except as set forth in Sections 15.1.5, 15.1.6 and 15.1.7 below, failure to perform or observe any other covenant or condition of this Lease to be performed or observed within thirty (30) days following written notice to Tenant of such failure, provided, if the nature of the default is such that more than thirty (30) days are reasonably required to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within the thirty (30) day period and thereafter diligently completes such cure. Any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 or any similar or successor Laws;

15.1.3 The subjection of any right or interest of Tenant to attachment, execution or other levy, or to seizure under the legal process, if not released within sixty (60) days, provided that the foreclosure of any mortgage permitted by the provisions of this Lease shall not be construed as a default within the meaning of this Lease.

15.1.4 The filing by Tenant hereunder in any court pursuant to any statute of a petition in bankruptcy or insolvency or for reorganization or arrangement for the appointment of a receiver of all or a portion of Tenant's property; the filing against Tenant of any such petition, or the commencement of a proceeding for the appointment of a trustee, receiver or liquidator for Tenant, or of any of the property of either, or a proceeding by any governmental authority for the dissolution or liquidation of Tenant hereunder, if such proceeding shall not be dismissed or trusteeship discontinued within sixty (60) days after commencement of such proceeding or the appointment of such trustee or receiver, or the making by Tenant hereunder of an assignment for the benefit of creditors. Tenant hereby stipulates to the lifting of the automatic stay in effect and relief from such stay for Landlord in the event Tenant files a petition under the United States

Bankruptcy laws, for the purpose of Landlord pursuing its rights and remedies against Tenant of this Lease;

15.1.5 Tenant's failure to cause to be released any mechanics' liens filed against the Premises, with respect to work performed by or for the benefit of Tenant, within one hundred twenty (120) days after written notice from Landlord;

15.1.6 Tenant's failure to comply with the provisions of Articles 17 or 19 within five (5) business days after written notice from Landlord; or

15.1.7 The occurrence of a Transfer that violates Article 14.

15.2 Remedies.

15.2.1 Upon the occurrence of an Event of Default by Tenant, Landlord may exercise all of its remedies as may be permitted by law, including, but not limited to, the remedy provided by Section 1951.4 of the California Civil Code, and including, without limitation, terminating this Lease, re-entering the Premises and removing all persons and property therefrom, which property may be stored by Landlord at a warehouse or elsewhere at the risk, expense and for the account of Tenant. If Landlord elects to terminate this Lease, Landlord shall be entitled to recover from Tenant the aggregate of all amounts permitted by law, including, but not limited to (i) the worth at the time of the amount of any unpaid Rent which had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Lease Term (as it may have been extended) after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including, but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law. As used in Items (i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the Reference Rate (as defined below). As used in Item (iii), above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). "Reference Rate" shall mean that rate equal to two percent (2%) in excess of the reference rate of interest which Bank of America NT&SA's main office announces from time to time, or if Bank of America NT&SA discontinues announcing such a rate, the reference rate of interest which a comparable lending institution announces from time to time, as selected by Landlord, in its sole and absolute discretion, but in no event greater than the highest rate permitted by law.

15.2.2 Notwithstanding anything to the contrary set forth herein, Landlord's re-entry to perform acts of maintenance or preservation of or in connection with efforts to relet the

Premises or any portion thereof, or the appointment of a receiver upon Landlord's initiative to protect Landlord's interest under this Lease shall not terminate Tenant's right to possession of the Land or any portion thereof and, until Landlord does elect to terminate this Lease, this Lease shall continue in full force and effect, and Landlord may enforce all of Landlord's rights and remedies hereunder including, without limitation, the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

15.2.3 All rights, powers and remedies of Landlord hereunder and under any other agreement now or hereafter in force between Landlord and Tenant shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Landlord by law, and the exercise of one or more rights or remedies shall not impair Landlord's right to exercise any other right or remedy.

15.3 Landlord's Default.

15.3.1 Landlord Default. Landlord shall not be in default under this Lease except for the following:

(a) Any failure by Landlord to make any payment required to be made by Landlord hereunder when due, where such failure continues for fifteen (15) days after delivery of written notice of such failure by Tenant to Landlord; or

(b) Any failure by Landlord to perform or comply with any other provision of this Lease, to be performed or complied with by Landlord where such failure continues for thirty (30) days after delivery of written notice of such failure by Tenant to Landlord; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) day period, there shall not be a Landlord Default if Landlord shall, within thirty (30) days of such notice commence such cure, and thereafter diligently prosecute such cure to completion.

ARTICLE 16 TENANT'S PROPERTY

All movable trade fixtures and equipment at the Premises shall remain and continue to be the property of Tenant and may be removed, renovated, altered, added to or replaced at any time and from time to time provided that Tenant promptly repairs all damage to the Premises and restores the Premises to their condition prior to the installation of Tenant's property.

ARTICLE 17

FEE MORTGAGES

17.1 Encumbrance of Reversion. Landlord, at any time and from time to time, may finance or encumber its interest in the Premises and its rights in and to this Lease (collectively, "Landlord's Interest").

17.2 Recognition of Lease. Tenant shall be required to subordinate Tenant's leasehold estate in the Premises to the lien of any encumbrance against Landlord's Interest, provided such lienholder provides Tenant with a commercially reasonable non-disturbance and attornment agreement pursuant to which such lienholder agrees not to disturb Tenant's tenancy hereunder so long as Tenant is not in default hereunder. Tenant hereby agrees to execute such further reasonable documents and assurances as any future lienholder may require. In the event any Fee Mortgagee (as defined below) forecloses on its lien against Landlord's Interest, or acquires Landlord's Interest by agreement in lieu of foreclosure or otherwise, Tenant shall attorn to such Fee Mortgagee, recognize such Fee Mortgagee as its landlord hereunder and execute such documents as such Fee Mortgagee may request acknowledging such Fee Mortgagee as Tenant's landlord hereunder. Tenant hereby waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of Tenant hereunder in the event of any foreclosure or transfer in lieu of foreclosure thereunder. All Fee Mortgages shall recognize Tenant's leasehold interest in the Premises created hereby and acknowledge and agree that this Lease shall continue without disturbance following any foreclosure or transfer in lieu of foreclosure pursuant to any such Fee Mortgage (as defined below). "Fee Mortgage" shall mean a mortgage or deed of trust imposed by Landlord upon its interest. "Fee Mortgagee" shall mean the mortgagee or beneficiary of any Fee Mortgage.

17.3 Notice to Fee Mortgagee. If (i) any Fee Mortgagee, (ii) other person or entity who purchases a Fee Mortgagee's interest in the Premises and/or in this Lease at a foreclosure sale ("Fee Purchaser") or (iii) the first Person to whom Fee Mortgagee assigns its interest in the Premises and in this Lease (the "Fee Assignee") (collectively, the "Fee Successor") shall have notified Tenant of its interest in the Premises, Tenant thereafter shall give to such Fee Successor a copy of each notice of default simultaneously with Tenant's providing such notice to Landlord and Tenant shall not be entitled to exercise its rights upon an event of default by Landlord or serve a notice of cancellation and termination upon Landlord unless a copy of any prior notice of default shall have been given to the Fee Successor, as hereinabove provided, and the time specified herein for the curing of such default shall have expired without the same having been cured. The performance of the Fee Successor of any condition or agreement on the part of Landlord to be performed hereunder will be deemed to have been performed with the same force and effect as though performed by Landlord.

ARTICLE 18

INDEMNITY AND EXEMPTION OF LANDLORD FROM LIABILITY

18.1 Indemnity. Tenant shall release, indemnify, defend and hold harmless, Landlord, and its officers, agents, employees, successors, assigns and attorneys (collectively, "Indemnitees"), from and against any and all claims, suits, demands, liabilities, damages, costs

and expenses (including reasonable attorneys' fees, expert witnesses' fees, exhibits and other costs), arising from or in connection with Tenant's lease, use or possession of the Premises or the conduct of its business or from any activity performed or permitted by Tenant in or about the Premises or arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any other act, neglect, fault or omission of Tenant or any of its officers, agents, directors, contractors, employees, licensees, invitees, patrons or customers to the extent that the same have occurred during the term of this Lease. As a material part of the consideration to the Landlord for entering into this Lease, Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, except that which is caused by the gross negligence or willful misconduct of Landlord or any of Landlord's officers, employees, agents or contractors, provided such willful misconduct or gross negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where an Indemnitee is shown to have engaged in willful misconduct or been grossly negligent and where the Indemnitees' willful misconduct or gross negligence accounts for only a percentage of the liability involved, the obligation of Tenant under this Section will be for that entire portion or percentage of liability not attributable to the willful misconduct or gross negligence of the Indemnitee(s).

18.2 Exemption of Landlord From Liability. Except for Landlord's willful or grossly negligent conduct or that of any of Landlord's officers, employees, agents or contractors (provided such willful misconduct or gross negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction), Landlord shall not be liable for injury to Tenant's business or loss of income therefrom, or for damage that may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees, customers, agents, or any other person in, on or about the Premises.

18.3 Survival. The provisions of this Article 18 shall survive the expiration or earlier termination of this Lease with respect to any claims or liability occurring prior to such expiration or termination.

ARTICLE 19 ESTOPPEL CERTIFICATES

Tenant shall, at any time and from time to time, upon not less than ten (10) business days' prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying the following information (but not limited to the following information in the event further information is reasonably requested by Landlord): (a) that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as modified, is in full force and effect); (b) the date to which Rent and other charges are paid in advance, if any; (c) the amount of Tenant's security deposit, if any; and (d) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, and no events or conditions then in existence which, with the passage of time or notice or both, would constitute a default on the part of Landlord hereunder, or specifying such defaults, events or conditions, if any are claimed. It is expressly understood and agreed that any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the Premises.

ARTICLE 20

HAZARDOUS MATERIALS

20.1 No Hazardous Materials. Tenant shall not permit the use, storage or transportation of Hazardous Materials on or about the Premises except as reasonably necessary for the uses of the Premises permitted under this Lease, and then only in accordance with applicable laws.

20.2 Notice. Tenant shall notify Landlord in writing of any releases of Hazardous Materials on the Premises, except as permitted in Section 20.1 above, any claims made with respect to Hazardous Materials on the Premises, and any Notices of Violation or similar notices with respect to Hazardous Materials on the Premises, in each case promptly after receiving notice or obtaining knowledge of the same.

20.3 Environmental Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction or use of the Premises, and sums paid in settlement of claims, attorney's fees, consultant fees and expert fees) which arise as a result of a release of Hazardous Materials by Tenant during the term of this Lease, or as a result of the improper use, storage or transportation of Hazardous Materials by Tenant during the term of this Lease, or as a result of Tenant's noncompliance with the Operations and Maintenance Plan for Asbestos and Lead Based Paint referenced in Section 20.6 below during the term of this Lease. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any reasonable investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Tenant before or during the term of this Lease results in any contamination of the Premises, Tenant shall promptly take all legally required actions at its sole expense to address the contamination and to obtain a "no further action letter" or other form of final approval from all governmental agencies with jurisdiction. The contractors to be used by Tenant for such work must be approved by Landlord, which approval may not be unreasonably withheld, conditioned or delayed. Tenant's indemnity and other obligations in this section 20.3 are not and shall not be construed as a release by Landlord of any rights Landlord may have against Tenant with respect to any environmental matters affecting the Premises that occurred prior to the effective date of this Lease. Tenant's indemnification of Landlord shall not include any obligation to indemnify Landlord for any environmental investigations, audits or inspections related to the Premises that Landlord elects to undertake for its own purposes, including, without limitation, phase I environmental site assessments, compliance audits, or any other environmental inspection, investigation or audit of the Premises performed in connection with the sale of the Premises or the lease of the Premises to another tenant.

20.4 Hazardous Material Defined. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste that is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) defined as "Hazardous Waste," "Extremely Hazardous Waste," or "Restricted Hazardous Waste" under

Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "Hazardous Substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (iii) defined as a "Hazardous Material," "Hazardous Substance," or "Hazardous Waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "Hazardous Substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos; (vii) defined as "Hazardous" or "Extremely Hazardous" pursuant to Article II of Title 22 of the California Administrative Code, Division 4, Chapter 20; (viii) designated as a "Hazardous Substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1317); (ix) defined as a "Hazardous Waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq. (42 U.S.C. Section 6903); or (x) defined as a "Hazardous Substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq. (42 U.S.C. Section 9601).

20.5 Laws. As used herein, the term "laws" means any applicable federal, state or local law, ordinance, or regulation relating to any Hazardous Material.

20.6 Operations and Maintenance Plan. Tenant hereby acknowledges receipt and approval of the "Operations and Maintenance Plan for Asbestos and Lead Based Paint" dated June 26, 2001, prepared by AEI Consultants at the request of Landlord. Tenant agrees to and shall comply in all respects with the Operations and Maintenance Plan.

ARTICLE 21 SURRENDER

At the expiration or earlier termination of this Lease, Tenant shall, at its sole cost and expense, deliver the Premises to Landlord in similar or better condition and repair as Tenant received the Premises, broom clean and with all of Tenant's property removed. Tenant may elect within thirty (30) days before expiration of the term, or upon notice of termination of this Lease, to remove any fixtures that Tenant has placed on the Premises. If Tenant so elects, Tenant at its sole cost, shall restore the Premises to similar or better condition and repair as Tenant received the Premises, or such other condition as is mutually agreeable to Landlord and Tenant before the last day of the term or by such other date as agreed to by Landlord and Tenant.

ARTICLE 22 GENERAL PROVISIONS

22.1 Non-Waiver. No waiver by either party of any provision of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by such party of the same or any other provision. No provision of this Lease may be waived by either party, except by an instrument in writing executed by such party. Either party's consent to or approval of any act requiring such party's consent or approval shall not be deemed to render unnecessary the obtaining of such party's consent to or approval of any subsequent act, whether or not similar to the act so consented to or approved. The subsequent acceptance of Rent hereunder by

Landlord or the acceptance of payment from Landlord by Tenant, shall not be deemed to be a waiver of any preceding breach by the party from whom payment was received of any provision of this Lease, other than the payment so accepted, regardless of the accepting party's knowledge of such preceding breach at the time of acceptance. No act or thing done by Landlord or Landlord's agents shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by Landlord.

22.2 Attorneys' Fees. In any action to enforce the terms of this Lease, including any suit by Landlord for the recovery of Rent or possession of the Premises, the losing party shall pay the successful party all reasonable attorneys' fees and costs in such suit and upon appeal, and all such attorneys' fees shall be deemed to have accrued prior to the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

22.3 Broker's Commissions. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with this Lease. Each party hereto shall indemnify and hold the other harmless on account of any loss, claim, liability or expense, of whatever kind and whatever nature, including attorneys' fees and costs, arising out of a claim by any other real estate broker or agent for a brokerage commission pertaining to the Lease and based on any act or statement made by the indemnifying party.

22.4 Severability; Entire Agreement; Amendments. Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof, and any such other provisions shall remain in full force and effect. This Lease and the exhibits attached hereto constitute the entire agreement between the parties hereto with respect to the subject matter hereof, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or supplemented except by an agreement in writing signed by the parties hereto or their successor-in-interest.

22.5 Notices. All notices, approvals, demands, reports, requests and other communications provided for in this Lease shall be in writing (including telex, telecopy, telegram or similar writing) and shall be given to such party at its address set forth below, and with copies given as shown below (or such other address as such party may hereafter specify for the purpose by notice to the other party listed below). Each such notice, approval, demand, report or other communication shall be deemed delivered to the party to whom it is addressed (A) if personally served or delivered, upon delivery, (B) if given electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of an appropriate answer back or other written acknowledgment or confirmation of receipt of the entire notice, approval, demand, report or other communication, (C) if given by certified or registered mail, return receipt requested, deposited with the United States Mail with first-class postage prepaid, seventy-two (72) hours after such notice is deposited with the United States Mail, or (D) if given by reputable overnight courier with courier charges prepaid twenty-four (24) hours after delivery to the overnight courier.

To Landlord:

City Administrator
City of San Fernando
117 Macneil Street
San Fernando, CA 91340

With a copy to:

Richards, Watson & Gershon
355 South Grand Avenue, 40th Floor
Los Angeles, California 90071
Attn: Michael Estrada

To Tenant:

San Fernando Community Hospital, Inc. dba Mission Community
Hospital
14850 Roscoe Boulevard
Panorama City, CA 91402
Attn: William Daniel

22.6 Further Assurances. Tenant and Landlord each hereby agrees to take such further actions and to execute such other and further documents as may be required to carry out the purposes of this Lease.

22.7 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California, regardless of the conflicts of law provisions thereof. All controversies, claims, actions or causes of action arising between the parties hereto and/or their respective successors and assigns shall be brought, heard and adjudicated by the courts of the State of California, with venue in the County of Los Angeles.

22.8 Successors and Assigns. Subject to the provisions of Article 14 hereof, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

22.9 Time of Essence. Time is of the essence with respect to the performance of every provision of this Lease.

22.10 Headings; Joint and Several. The article headings contained in this Lease are for convenience only and do not in any way limit or amplify any term or provision hereof. The terms "Landlord" and "Tenant" as used herein shall include the plural as well as the singular, the neuter shall include the masculine and feminine genders.

22.11 No Option. The submission of this Lease by Landlord, its agent or representative for examination or execution by Tenant does not constitute an option or offer to Lease the Land upon the terms and conditions contained herein or a reservation of the Premises in favor of Tenant, it being intended hereby that this Lease shall only become effective upon the execution hereof by Landlord and delivery of a fully executed lease to Tenant. No act or omission of any agent of Landlord shall alter, change or modify the provisions of this Section.

22.12 Right of Landlord to Perform. All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of Rent. If Tenant shall fail to pay any sum of money, other than Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue beyond any applicable cure period set forth in this Lease, Landlord may, but shall not be obligated to, without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part to be made or performed as is in this Lease provided. All sums so paid by Landlord and all reasonable incidental costs, together with interest thereon at the Interest Rate from the date of such payment by Landlord, shall be payable to Landlord on demand, and Tenant covenants to pay any such sums, and Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the non-payment thereof by Tenant as in the case of default by Tenant in the payment of rent.

22.13 Survival of Obligations. Any obligations of Landlord or Tenant occurring prior to the expiration or earlier termination of this Lease shall survive such expiration or earlier termination.

22.14 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create any relationship of principal and agent, partnership, association, joint venture or otherwise between Landlord and Tenant. The sole relationship of the parties hereto shall be that of Landlord and Tenant.

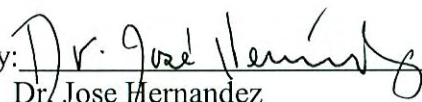
22.15 Exhibits and Addenda. The Exhibits attached hereto are incorporated herein by this reference as if fully set forth herein.

22.16 Execution in Counterparts. This Lease may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Lease, facsimile signatures shall be deemed to be original signatures, and shall be followed by the immediate overnight delivery of original signature pages.


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IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

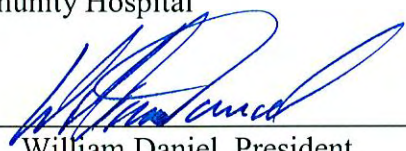
CITY OF SAN FERNANDO,
a municipal corporation

By: 
Dr. Jose Hernandez
Mayor

ATTEST:

By: 
Elena Chavez
City Clerk

SAN FERNANDO COMMUNITY
HOSPITAL, INC., a California non-profit
public benefit corporation d/b/a Mission
Community Hospital

By: 
William Daniel, President

By: _____
_____, Secretary

APPROVED AS TO FORM:

By: 
Michael Estrada
City Attorney

EXHIBIT "A"**Legal Description of Land**

THE LAND IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

PARCEL 1:

THOSE PORTIONS OF LOTS 8, 9, 10 AND 11 IN BLOCK 82 OF PORTER LAND AND WATER COMPANY'S RESURVEY OF THE TOWN OF SAN FERNANDO, IN THE CITY OF SAN FERNANDO, AS PER MAP RECORDED IN BOOK 34 PAGES 65 AND 66 OF MISCELLANEOUS RECORDS, LYING NORTHWESTERLY OF THE NORTHWESTERLY LINE OF TRACT 1817, AS PER MAP RECORDED IN BOOK 21 PAGE 55 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

LOTS 7 TO 12 INCLUSIVE OF TRACT 1817, IN THE CITY OF SAN FERNANDO, AS PER MAP RECORDED IN BOOK 21 PAGE 55 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

ALL THAT CERTAIN VACATED ALLEY, 15 FEET WIDE, IN THE CITY OF SAN FERNANDO, AS SHOWN ON THE MAP OF TRACT 1817, AS PER MAP RECORDED IN BOOK 21 PAGE 55 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND ADJOINING LOTS 7 AND 8 OF SAID TRACT 1817, ON THE NORTHWEST.

PARCEL 4:

LOTS 58 AND 59 OF TRACT 2824, IN THE CITY OF SAN FERNANDO, AS PER MAP RECORDED IN BOOK 28 PAGES 36 AND 37 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ATTACHMENT "C"

No. 1485 (a)

FIRST AMENDMENT TO LEASE

This First Amendment to Lease (the "**First Amendment**") is entered into as of this 5th day of July 2005 by and between **CITY OF SAN FERNANDO**, a municipal corporation ("**Landlord**") and **SAN FERNANDO COMMUNITY HOSPITAL**, a California non-profit corporation dba Mission Community Hospital ("**Tenant**"), with reference to the following recitals.

RECITALS:

A. On or about September 15, 2003, Landlord and Tenant entered into a lease (the "**Lease**") for that certain premises described on Exhibit A to the Lease (the "**Premises**") commonly known as 700 Chatsworth Drive, San Fernando, California (the "**Building**"). All capitalized terms used herein and not otherwise defined shall have the respective meanings as set forth in the Lease.

B. Landlord and Tenant wish to amend the Lease to provide Tenant with an option to extend the term of the Lease so Tenant can qualify to receive a federal grant to further develop and improve the Premises.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Option to Extend Term. Section 2.1 of the Lease is hereby amended by adding the following:

Tenant shall have the option to extend the Lease Term for an additional ten (10) years to 12:00 a.m. on March 1, 2027 ("Extension Term") provided that: (a) this Lease is in full force and effect; (b) Tenant is not in default hereunder beyond any applicable notice and cure period at the time it gives notice of extension or at the beginning of the extension term; and (c) this Lease had not been assigned. Tenant shall exercise such option by notice in writing delivered to Landlord not less than six (6) months prior to the expiration of the initial Lease Term. All of the covenants, conditions and provisions of this Lease shall be applicable to the Extension Term, except that the base rent shall be subject to adjustment to reflect changes in the rental value of comparable commercial property in the community. Landlord shall advise Tenant of the new monthly rental for the Extension Term within thirty (30) days after Tenant's exercise of its option. Tenant shall have thirty (30) days ("Tenant's Review Period") after receipt of Landlord's notice of the new rental within which to accept such rental or to reasonably object thereto in writing. In the event Tenant objects, Landlord and Tenant shall attempt to agree upon fair rental rate using good faith efforts. If Landlord and Tenant fail to reach agreement within thirty (30) days following Tenant's Review Period (the "Outside Agreement Date"), then the option to extend will not apply and the Lease will terminate at the end of the initial Lease Term.

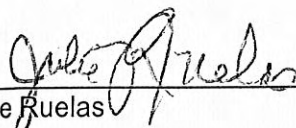
2. Conflict. If there is a conflict between the terms and conditions of this First Amendment and the terms and conditions of the Lease, the terms and conditions of this First Amendment shall control. Except as modified by this First Amendment, the terms and conditions of the Lease shall remain in full force and effect.

3. Authority. The persons executing this First Amendment on behalf of the parties hereto represent and warrant that they have the authority to execute this First Amendment on behalf of said parties and that said parties have authority to enter into this First Amendment.

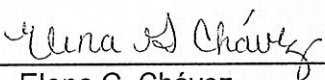
4. Counterparts. This First Amendment may be executed in counterparts. Each counterpart shall be deemed an original, and all counterparts shall be deemed the same instrument with the same effect as if all parties hereto had signed the same signature page.

IN WITNESS WHEREOF, the parties hereby execute this First Amendment as of the date first written above.

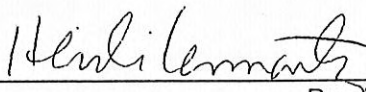
CITY OF SAN FERNANDO,
a municipal corporation

By: 
Julie Ruelas
Mayor

ATTEST:

By: 
Elena G. Chávez
City Clerk

SAN FERNANDO COMMUNITY
HOSPITAL, INC., a California non-profit
public benefit corporation d/b/a Mission
Community Hospital

By: 
_____, President

By: _____
_____, Secretary

APPROVED AS TO FORM:

By: 
Michael Estrada
City Attorney

ATTACHMENT "D"



February 5, 2013

Mr. Donald E. Penman
Interim City Administrator
City of San Fernando
117 Macneil Street
San Fernando, CA 91340

Re: San Fernando Campus
Mission Community Hospital
Sublease to San Fernando Community Health Center

Dear Mr. Penman:

Mission Community Hospital, which holds the Master Lease for the property at 732 Mott Street, San Fernando, CA 91340, wishes to submit the attached sublease for approval by the City of San Fernando. Our Board of Directors has approved the request on behalf of the San Fernando Community Health Center to be a subtenant under the Master Lease Mission Community Hospital has held since October 2003.

The subtenant, San Fernando Community Health Center, is a non-profit, 501 (c) 3 foundation recognized by the State of California and the IRS. The Center will include a 15 – exam room primary and specialty clinic, the existing UCLA affiliated Dental Clinic, and the San Fernando Community Diabetes Center, which includes the Diabetes Teaching Kitchen and the Project ALTO-D™ program offices and other office space that will be used for case management and other health-related functions necessary to the operation of the San Fernando Community Health Center.

Since the inception of the Master Lease in 2003, Mission Community Hospital has worked tirelessly to provide health care and health education related services at the site for the residents of the City of San Fernando and surrounding communities. The hospital has upgraded the building, bringing to vibrant life again the building that has served the residents of the City of San Fernando since 1923 as a resource for health care.

Since 2003, Mission Community Hospital has invested over \$1.7 million in grant funds for direct capital improvements to the building and over \$2.1 million in program funding and development. The current investment by Mission Community Hospital and Deanco Healthcare LLC in the renovation of the 8,400 square foot space that will house the primary care clinic will be approximately \$1.9 million at completion including equipment. Pending capital grant funding for the proposed dental clinic expansion is \$575,000. Currently under consideration are proposals for program funding in excess of \$700,000. The funds allocated does not take into consideration the more than \$250,000 per year that Mission Community Hospital has provided over the term of our Master Lease to maintain the property, provide in-kind support and underwrite expenses such as housekeeping, landscaping and utilities.

Mission Community Hospital respectfully submits that our sublease request for the San Fernando Community Health Center 17,115 square foot space will continue the legacy of caring that has been the hallmark of our service to the City of San Fernando by expanding health care and wellness resources for all the community.

We appreciate the City of San Fernando's consideration of our request. If you have questions about this request, please contact me at 818-904-3685 or by e-mail at jtheiring@mchonline.org.

Very sincerely yours,

James K. Theiring, CPA
Chief Executive Officer

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PUBLIC WORKS DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator
By: Ron Ruiz, Public Works Director

DATE: February 19, 2013

SUBJECT: Approval of Refuse Contract One-Year Extension

RECOMMENDATION:

It is recommended that the City Council approve an amendment to the existing agreement (Contract No. 1465) with Crown Disposal, Inc. (Collector) (Attachment "A") extending City refuse services through February 2014 under the existing terms and conditions.

BACKGROUND:

1. On August 19, 2002, an Agreement with the Collector was executed to provide Solid Waste and Recyclable Collection, Processing and Disposal services.
2. On April 12, 2007, per Section 2.5 of the Agreement, the Collector exercised its right to extend the term of the Agreement with the City for an additional three years, ending on October 30, 2012.
3. On April 28, 2011, at a Budget, Personnel, and Finance (BPF) Standing Committee meeting, it was recommended that the procurement process not include a review of the current contractor providing refuse services.
4. On December 21, 2011, at a Natural Resources, Infrastructure, Water, Energy and Waste (NRIW) Standing Committee meeting, it was recommended that a review of the current refuse service provider be included in the Scope of Services for the Request for Proposal (RFP) for Refuse Procurement Consulting Services.
5. On June 8, 2012, the City issued an RFP for consulting services for citywide solid waste and recycling services.
6. On June 29, 2012, the City received four proposals for consulting services for citywide solid waste and recycling services.

Approval of Refuse Contract One-Year Extension

Page 2

7. On July 2, 2012, the City Council gave direction to defer an Award of Contract for consulting services for citywide solid waste and recycling services and the development of a one-year extension agreement with the Collector.
8. On December 28, 2012, City staff met with the Collector to discuss the development of a one-year contract extension.
9. On January 8, 2013, staff provided an update at the Budget, Personnel, and Finance (BPF) Standing Committee meeting regarding the development of a one-year contract extension with the Collector.
10. On January 14, 2013, staff provided an update at the Natural Resources, Infrastructure, Water, Energy and Waste Management (NRIW) Standing Committee meeting regarding the development of a one-year contract extension with the Collector.
11. On January 22, 2013, City staff met with the Collector to resume discussion regarding the development of a one-year contract extension.

ANALYSIS:

The purpose of this memorandum is to present a one-year contract extension with the Collector to provide refuse and recycling services per City Council direction. A staff negotiating team consisting of the Public Works Director, the City Planner and the City Attorney met with Tim Fry the Collector's representative to develop the terms of the attached agreement for the one-year extension.

The terms of the agreement consist of the following:

Pavement Impact Fee (PIF)

The Collector has agreed to increase the pavement impact by an additional amount of \$145,809. The PIF is a fee charged to the Collector for adverse pavement impacts created by the daily travel of the refuse trucks on the city's streets. The increased amount is based on construction cost increases for materials and labor based on California Department of the General Services California Construction Cost Index (CCI). The current fee per the existing agreement is equal to 10% of the collector's gross receipts. For the current fiscal year the estimated fee is \$230,326. The Collector pays the fee on a quarterly basis.

Quarterly Drop-Off Events

These events will provide an opportunity for customers to dispose of bulky items and other refuse on a scheduled date, at a designated location, such as city owned parking lot 6N. Collector staff and volunteers will be present to manage the event. A volunteer program facilitated by the Collector will provide an opportunity to raise funds for a group of the city's choice. The Collector will also make available free compost to customers on the day of the event.

Approval of Refuse Contract One-Year Extension

Page 3

Annual Shred Day

This event will provide an opportunity for customers to shred paper documents on a scheduled date, at a designated location, such as City owned parking lot 6N.

One Year Rate Freeze for Commercial and Residential Customers

The Collector has agreed to not raise customer rates during the one-year term of the agreement. Per the current agreement, rate adjustments are allowable based on the Consumer Price Index (CPI).

Bulky Item Pick-Up Increase

The Collector has agreed to increase the number of bulky item pick-ups from two to four pick-ups, with no additional cost to the customer. Per the current agreement residential customers are provided two free bulky item pick-ups per year. Additional pick-ups are available at \$35 per pick-up.

Staff Recommendation

Staff recommends that the one-year extension to the agreement be approved with the terms listed above. Given the length of time for the extension, staff believes that the new terms can be implemented within the time frame and it is reasonable to expect that they can be continued under a new long term contract with the current or a new collector.

CONCLUSION:

Per City Council direction, staff negotiated the terms to develop a one-year agreement extension with the Collector. The new agreement will provide enhanced customer services and additional revenue for the City's Pavement Management Fund. Staff recommends approval of the agreement.

BUDGET IMPACT:

Approval of the agreement will provide additional revenue in the amount of \$145,809 in Fund 50-Pavement Management. For Fiscal Year 2012-13 Budget, \$240,000 was transferred from Fund 50 to the General Fund to address the budget deficit.

ATTACHMENT:

A. Second Amendment Agreement

ATTACHMENT "A"**SECOND AMENDMENT TO THE SOLID WASTE AND RECYCLABLES
COLLECTION, PROCESSING, AND DISPOSAL SERVICE AGREEMENT
BETWEEN THE CITY OF SAN FERNANDO AND CROWN DISPOSAL, INC.**

This Second Amendment to the Solid Waste and Recyclables Collection, Processing, and Disposal Service Agreement ("Second Amendment") is made by and between the City of San Fernando, a California municipal corporation ("City") and Crown Disposal, Inc., a California Corporation ("Collector") as of _____, 2013. City and Collector are hereinafter collectively referred to as the "Parties."

RECITALS

WHEREAS, the Parties entered into an Agreement to Provide Solid Waste and Recyclables Collection, Processing, and Disposal Service ("Agreement") dated August 19, 2002; and

WHEREAS, the Agreement had an expiration date of October 30, 2009, with a three-year extension, extending the Agreement to October 30, 2012. The three-year extension was exercised by the Collector; and

WHEREAS, on December 17, 2012, the Parties amended the Agreement to extend the term until February 15, 2013 in order to provide additional time for the Parties to negotiate a possible new agreement or extend the current term; and

WHEREAS, the Parties have agreed to extend the term of the Agreement to February 15, 2014 based on the deal terms presented in this Second Amendment; and

WHEREAS, along with agreeing to extend the Agreement, the Parties have agreed to amend the Agreement to increase the pavement impact fees paid by Collector to City, forgo any rate increase by Collector for the extended period, have Collector provide additional community events and services, and increase the number of annual bulky waste pick-ups for residential customers at no cost; and

WHEREAS, these changes to the Agreement will increase services received by City customers for the same rate, and increase the amount of pavement impact fees paid by Collector to the City.

NOW, THEREFORE, the Parties hereto agree as follows:

AGREEMENT**1. TERM, EXPIRATION DATE AND MONTH-TO-MONTH PERIOD**

The Agreement between City and Collector is set to expire on February 15, 2013. The Parties agree to extend the Agreement for an additional one-year. Pursuant to this Second Amendment, the term of the Agreement is extended and will expire on February 15, 2014.

After the expiration of the one-year extension term of the Agreement (February 15, 2014), the Agreement shall continue on a month-to-month basis ("Month-to-Month Period") until terminated by

either party pursuant to this Section. All terms and conditions in the Agreement, as amended by the First and Second Amendment to the Agreement, shall continue to apply.

During the Month-to-Month Period, the City or Collector can terminate the Agreement for any reason by providing the other party with a sixty (60) days written notice. Termination during the Month-to-Month Period does not have to be for cause.

2. COMPENSATION AND RATES – RESIDENTIAL

Collector agrees to maintain the current residential rates charged under the Agreement for the one-year extension period of February 16, 2013 – February 15, 2014 and the Month-to-Month Period. Collector will not adjust any residential rates as authorized under Article 6 of the Agreement. The rates that shall apply for the period of February 16, 2013 – February 15, 2014 and the Month-to-Month Period are shown in **Exhibit 1** to this Second Amendment.

3. COMPENSATION AND RATES – COMMERCIAL

Collector agrees to maintain the current commercial and industrial service rates charged under the Agreement for the one-year extension period of February 16, 2013 – February 15, 2014 and the Month-to-Month Period. Collector will not adjust any commercial or industrial rates as authorized under Article 6 of the Agreement. The rates that shall apply for the period of February 16, 2013 – February 15, 2014 and the Month-to-Month Period are shown in **Exhibit 2** to this Second Amendment.

4. PAVEMENT IMPACT FEES

The pavement impact fee paid by Collector to the City under Section 7.7 of the Agreement shall be increased by One Hundred Forty-Five Thousand Eight Hundred Nine Dollars (\$145,809) for the one-year extension period of February 16, 2013 – February 15, 2014. Collector shall pay the additional One Hundred Forty-Five Thousand Eight Hundred Nine Dollars (\$145,809) in a lump sum to the City on June 1, 2013. In addition to this payment, Collector shall still be responsible for the quarterly payment of ten percent (10%) of Collector's Gross Receipts as required under Section 7.7 of the Agreement.

5. ON-CALL COLLECTION OF BULKY WASTE AT CURBSIDE – INCREASE TO FOUR PICK-UPS AT NO COST

Collector agrees to increase the number of Bulky Waste collection services for Residential Premises under Section 3.17 of the Agreement from two pick-ups per dwelling unit per calendar year at no charge, to four pick-ups per dwelling unit per calendar year at no charge. The four pick-ups per dwelling unit at no cost shall apply to the 2013 calendar year and any subsequent calendar year that the Parties are under this Agreement, either under the Agreement's term or on the Month-to-Month Period.

6. ANNUAL SHRED DAY

Collector shall sponsor and conduct, at no cost to the City or City customers, an "Annual Shred Day" during the one-year extension period and the Month-to-Month Period under this Second Amendment.

The Annual Shred Day will allow the City and City customers shredding services for "Landscaping Debris," as defined in Section 1.1.45 of the Agreement. The City and Collector shall work together to coordinate the Annual Shred Day on a date, time and terms mutually agreeable to the Parties.

7. QUARTERLY DROP-OFF EVENTS AND COMPOST DONATION EVENTS

Collector shall sponsor and conduct, at no cost to the City or City customers, "Quarterly Drop-Off Events" and "Compost Donation Events" during the one-year extension period and the Month-to-Month Period under this Second Amendment. The Quarterly Drop-Off Events and Compost Donation Events shall be sponsored and conducted by Collector at the same time and location. The City and Collector shall work together to coordinate the Quarterly Drop-Off Events and Compost Donation Events on dates, times and terms mutually agreeable to the Parties. Collector agrees to donate the proceeds of these events to the City to use for community purposes.

8. RELATION BETWEEN SECOND AMENDMENT AND AGREEMENT

All other terms and conditions in the Agreement shall remain in full force and effect to the extent they are not in conflict with this Second Amendment.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment on the day and year first above written.

CITY OF SAN FERNANDO

COLLECTOR

Interim City Administrator

_____, _____

Date:_____

Date:_____

Attest:

Elena G. Chávez, City Clerk

Date:_____

Approved as to Form:

Maribel Medina, City Attorney

Date:_____

EXHIBIT "1"**Exhibit A.1 – Schedule of Monthly Rates- Residential - 2013**

Rates Paid by City Directly to Collector:

Description	Rate
Standard Residential Collection Service Rate	\$14.88 per Residential Premises Unit per month

Rates for Additional Collection Services Billed by Collector to Residential Householders:

Description	Rate
Additional Solid Waste Cart pursuant to Section 3.5	\$6.72 per cart per month
Additional Recycling or Green Waste Cart(s) pursuant to 3.6	\$6.72 per cart per month
Wheel Out Service	\$20.00 per Residential Premises Unit per month
Collection of Bulky Waste	\$35.00 per pickup

Rates for Rolloff Loads in Excess of the Minimum Amount set forth in Exhibit D

Description	Rate
Rolloff Haul Charge	\$106.20 per load
Solid Waste Tipping Fee	\$35.30 per ton
Construction and Demolition Tipping Fee	\$35.30 per ton
Green Waste Tipping Fee	\$35.30 per ton
Clean Wood Waste Tipping Fee	\$35.30 per ton
Mixed rock, dirt, asphalt, or concrete (generally collected in a 10 yard Debris Box)	\$35.30 per ton

EXHIBIT "2"

Exhibit A.2
Schedule of Monthly Rates - 2013
Commercial and Industrial Service

Monthly Rates per Bin for Commercial Front-end Load Service

Bin Size	Number of Pickups per Week					
	1	2	3	4	5	6
1.5 yd.	\$66.26	\$88.34	\$116.31	\$138.40	\$166.37	\$225.21
2 yd.	\$70.61	\$102.15	\$135.63	\$159.72	\$195.02	\$243.60
3 yd.	\$73.55	\$108.86	\$150.05	\$185.35	\$220.66	\$255.96
4 yd.	\$98.00	\$143.56	\$189.12	\$234.66	\$280.22	\$346.47
5 yd.	\$107.66	\$158.75	\$209.83	\$275.02	\$350.81	\$441.86
6 yd.	\$117.34	\$190.48	\$263.65	\$369.77	\$440.47	\$510.74

Extra pickups \$35.30 per bin

Flat Rates per Load for Rolloff Service

Service Description	Flat Rates per load
10 yd. Low-boy Roll-off box	\$229.76
25 yd. Low-boy Roll-off box	\$313.81
40 yd. Low-boy Roll-off box	\$336.23
40 yd. Compactor	\$381.06

(a) Includes disposal or processing charges up to a maximum of 7 tons. An additional charge of \$35.30 per ton shall be charged for each ton, or portion thereof, over 7 tons.

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PUBLIC WORKS DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator
By: Ron Ruiz, Public Works Director

DATE: February 19, 2013

SUBJECT: Ficus Trees - Follow-Up Discussion

RECOMMENDATION:

It is recommended that the City Council approve a motion declaring that Ficus trees within the San Fernando Corridors Specific Plan, SP-4 Zone, are not Heritage Trees as defined in Section 98-30 of the City Municipal Code (Attachment "A") and are also not consistent with the capital improvements as envisioned for the Specific Plan.

BACKGROUND:

1. On February 4, 2013, the City Council directed staff to further review the process for the removal of City-owned Ficus trees.

ANALYSIS:

City Tree Removal Process

This report is a follow-up to a discussion held at the City Council meeting on February 4, 2013, regarding the removal of City-owned Ficus trees. Per the City Code, procedures do exist for the removal of City-owned trees, including Ficus trees, in various situations under the authority of the Public Works Director, the Tree Commission, and the City Council. In 2002, the Tree Commission was established to serve as an advisory group to the City Council and to perform other tasks pertaining to City-owned trees as described in Section 2-609 (Attachment "B").

More specifically, in regards to the question of Ficus tree removals, there are four different processes where Ficus and other trees can be removed per the City code (Attachment "C"): 1) a publicly initiated process per Section 98-31, to maintain wiring, pipes, conduits; 2) a publically initiated process under Section 98-32 for erecting, altering or removing buildings; and, 3) a City initiated process per Section 98-34 to remove a tree for various reasons. In all these instances,

Ficus Trees - Follow-Up Discussion

Page 2

per Section 98-35 (a), the Public Works Director shall consult with the Tree Commission to inspect and evaluate the tree removal, unless there is an immediate safety threat, whereby the Public Works Director may have the tree immediately removed.

In a fourth process, as described in Section 98-35 (b), the City Council has the discretion to approve a tree replacement program, such as in a commercial district. The most recent example of this process was used for the construction of the Maclay Streetscape Project, where several trees were removed, including Ficus trees, to replace them with a unifying tree planting theme as prepared by the landscape architect for the project.

Staff Recommendation Regarding Ficus Tree Removals

As a first step in addressing concerns by the City Council regarding Ficus trees, staff recommends the approval of a motion that allows for the removal of Ficus trees within the City Corridors Specific Plan right-of-way segments. Through the approval of the motion, the City Council is determining that Ficus trees along the corridor segments are not the type of tree species that will be retained as part of future tree master plans for San Fernando Road, Truman Street, and other street segments within the Corridors Specific Plan, planning area.

The corridor segment boundaries are defined in the Corridors Specific Plan and include the entirety of San Fernando Road and Truman Road within the City boundaries, San Fernando Mission Boulevard from Truman Road to the southern City boundary and South Brand Boulevard from Truman Street to the southern City boundary.

This action is already allowed for per Section 98-35 (b) of the City code, however, a motion by the City Council as included in this report would establish a plan for these segments so that the City and the public could more expeditiously move forward to remove and replace the Ficus trees in the Specific Plan Corridors as needed.

For members of the public initiating this process, the removal would be at the applicant's expense, and contingent upon replacement with any City required alternate tree species that is consistent with the conceptual plans noted in the Corridors Specific Plan as noted in Chapter Six (Capital Improvements) and Chapter Seven (Circulation Plan).

In addition, the Municipal Code does provide for the Tree Commission to work towards the preparation of Tree Master Plan that would have to be consistent with City regulations including the San Fernando Corridors Specific Plan.

Costs for City Tree Removals

Consistent with past practice, the developer is responsible for the construction of off-site improvements as directed by the City. The motion for approval presented in this report does not change this practice whereby, off-site improvements, now including the removal of Ficus trees along the corridors would be the responsibility of the developer.

Ficus Trees - Follow-Up Discussion

Page 3

In most instances, the large Ficus trees along the SP-4 Zone, have created sidewalk uplifts and damage to the adjacent curb and gutter and in some cases, damage to the street itself. Therefore, Ficus tree removals conducted by a developer shall also include the repair of approximately 25 square feet of sidewalk area, 15 linear feet of curb and gutter work, and the planting of a new tree. Maintenance of the tree for a three year period, including watering until the tree is established will also be required.

As for Ficus tree removals citywide done by the City, staff will await further direction by the City Council to conduct further analysis on this matter. However, it can already be stated that careful consideration will be needed for any additional City expenditures regarding unbudgeted tree removals given the reduction of grid tree trimming activities over the last four years due to reduced funding, including the recent loss of City Redevelopment Agency funds for this activity.

In May 2007, the Public Works Department was successful in reducing the grid tree trimming schedule from 16 years to five years, due to the use of a tree trimming contractor and the City Council's approval of sufficient funding for this activity.

However, beginning in 2009, funding significantly decreased again to the point where the tree trimming schedule has once again resumed to a 16 year plan. The consequences of a longer grid tree trimming schedule may result in an increase of tree limb failures and a reduction of needed maintenance to ensure proper tree growth and health.

Given the importance of funding grid tree trimming on a recommended schedule of five to seven years, staff recommends devoting maximum funding for this endeavor whenever possible to maintain appropriate tree maintenance activity levels.

CONCLUSION:

In light of the foregoing analysis, staff recommends that the City Council approve a motion declaring that Ficus trees within the San Fernando Corridors Specific Plan, SP-4 Zone are not Heritage Trees as defined in Section 98-30 of the City Municipal Code and are also not consistent with the capital improvements as envisioned for the Specific Plan.

BUDGET IMPACT:

The adoption of the motion itself will not have a budget impact since a developer would remain responsible for Ficus tree removals and other off-site improvements in the SP-4 Zone. Additional staff and arborist expenses for inspection of future private requests will be borne by the project applicant seeking to pay for removal of the Ficus tree(s).

Ficus Trees - Follow-Up Discussion

Page 4

ATTACHMENTS:

- A. City of San Fernando Municipal Code – Chapter 98, Vegetation – Comprehensive Tree Management Program
- B. City of San Fernando Municipal Code – Chapter 2, Administration – Boards, Commissions, Committees, Agencies and Authorities
- C. Tree Removal Process Flow Chart

ATTACHMENT "A"**Chapter 98 - Vegetation****Article II. Comprehensive Tree Management Program****DIVISION 1. - GENERALLY**

Sec. 98-26. - Purpose and intent.

Sec. 98-27. - Scope.

Sec. 98-28. - Defined terms and phrases.

Sec. 98-29. - Duty of the public works director.

Sec. 98-30. - Permit required.

Sec. 98-31. - Permit issuance to persons maintaining wires, pipes or conduits.

Sec. 98-32. - Permit issuance to persons erecting, altering or removing buildings.

Sec. 98-33. - Protection during construction.

Sec. 98-34. - City-owned trees removal.

Sec. 98-35. - Inspection and evaluation process.

Sec. 98-36. - Relocation and transplanting.

Sec. 98-37. - Tree plans.

Sec. 98-38. - Tree master plan.

Sec. 98-39. - Street tree species.

Sec. 98-40. - Tree topping.

Sec. 98-41. - Requests for parkway trees.

Sec. 98-42. - Enforcement.

Sec. 98-43. - Violations.

Sec. 98-44. - Appeal of action.

Sec. 98-45. - Filing of appeals.

Secs. 98-46—98-60. - Reserved.

Sec. 98-26. - Purpose and intent.

This article is established to promote and protect the public health, safety, and general welfare by providing for the regulation of the trimming, pruning, planting, mulching, watering, fertilizing, staking, spraying, maintenance, removal and replacement or any and all treatment and care of trees upon any street, parkway, park, playground, boulevard, alley or public right-of-way within the city, as being governed and interpreted by the standard practices of good arboriculture as commonly accepted in the professional trade by the National Arborist Association (NAA) and the International Society of Arboriculture (ISA).
(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-27. - Scope.

This article provides full power and authority over the planting, removing and cutting of trees located within public property in the city.
(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-28. - Defined terms and phrases.

[The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:]

City-owned tree shall mean any tree on public property.

Damage shall mean any action undertaken which causes injury, death, mutilation, stapling or disfigurement of a tree. This includes, but is not limited to, cutting, poisoning, over-watering, relocating or transplanting a tree, topping, girdling, trenching, grading or excavating within the drip line of the tree.

Drip line shall mean a line which may be drawn on the ground around a tree directly under its outermost branch tips and which identifies that location where rainwater tends to drip from the tree.

Heritage tree shall mean a specifically designated by city council upon recommendation by the city's tree commission as a heritage tree which meets one or more of the following set of criteria:

(1)The tree's age and association with a historic building or district gives the tree historical significance;

(2)The tree represents a specimen that is particularly rare in the Los Angeles basin and is of considerable size and age;

(3)The tree possesses unique characteristics or special horticultural significance; or

(4)The tree is of a significant size and/or makes a significant and outstanding aesthetic impact to its setting and is an exceptional specimen in good condition and health.

Public property shall mean any road, street, avenue, alley, parkway, right-of-way, or property, or any portion thereof, dedicated for or used by the public.

Removal shall mean the uprooting, cutting or severing of the main trunk, or major branches, of a tree or any act which causes, or may be reasonably expected to cause a tree to die, including but not limited to the following:

(1)Inflicting damage upon the root system of a tree by root pruning, machinery, storage of materials, or soil compaction;

(2)Substantially changing the grade above the root system or trunk of a tree; and

(3)Excessively or improperly pruning a tree.

(4)Damage to trunk, where as the tree would not likely survive.

Street trees shall mean each of those trees planted or to be planted in the various parkways along city streets, roads, boulevards and alleys.

Topping shall mean the severe cutting back of limbs within the tree's crown to such a degree as to remove the normal canopy and disfigure the tree.

Trees shall mean any woody perennial plant, usually having a single main axis or trunk, but including specimens of such plants having multiple trunks.

Tree master plan shall mean a comprehensive plan approved by the city council, which provides for planting, care, preservation, maintenance, and removal of all trees on public property.

Trimming shall mean the removal of dead, dying, diseased, life interfering, objectionable and weak branches in accordance with the most current and best practices of the National Arborist Association (NAA) and International Society of Arboriculture (ISA).

(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-29. - Duty of the public works director.

It shall be the duty of the public works director to plant, trim, prune, remove and care for all city-owned trees in accordance with this article. It shall also be the duty of the public works director, in accordance with this article, to designate the kind or variety of trees to be planted

upon any street, parkway, park, playground, boulevard, alley or public property in the city as stated in the approved tree master plan.

(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-30. - Permit required.

No person shall cut, trim, prune, plant, remove, injure or interfere with any city-owned tree, without a permit from the public works director. The public works director is authorized to grant a permit in accordance with the street encroachment permit procedures, but no such permit shall be valid for a period longer than 20 days after its date of issuance. Before a permit is issued pursuant to this article, a permit fee shall be paid to the city in accordance with the amount set forth by resolution of the city council.

(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-31. - Permit issuance to persons maintaining wires, pipes or conduits.

Any person maintaining any overhead wires, poles or construction or any pipes, conduits or services underground, along or across any public property in the city or owning any property abutting upon any public property in the city desiring to have any city-owned tree cut, trimmed, pruned or removed shall file with the public works director a written request for the applicant to perform such work. Such request shall describe the work to be performed by the applicant. The issuance of any such permit shall be at the discretion of the public works director. It shall be within the discretion of the public works director, as a condition of any such permit, to require a written agreement upon the part of the applicant to perform such work in the way stipulated by the public works director and to pay the cost thereof.

(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-32. - Permit issuance to persons erecting, altering or removing buildings.

When the erection, repair, alteration or removal of any building, house or structure necessitates the trimming, pruning or removal of any city-owned tree, it shall be within the discretion of the public works director to grant or refuse permission to do such work. The public works director may stipulate the conditions upon which any trimming, pruning or removal may be done and may request the applicant to enter into an agreement whereby the applicant shall agree to pay all costs incurred for any inspection, labor, equipment or service charge deemed necessary by the public works director.

(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-33. - Protection during construction.

Care shall be exercised by all individuals, developers and contractors working near preserved trees so that no damage occurs to such trees. All construction shall preserve and protect the health of trees to remain, relocated trees, and new trees planted to replace those removed in accordance with the following measures:

(1) All trees to be saved shall be enclosed/delineated by an appropriate construction barrier, such as fencing or other mechanism, prior to commencement of work. Barriers are to remain in place during all phases of construction and may not be removed without the written consent of the public works director.

(2) Such barrier(s) must be located a distance from the trunk base of two times the trunk diameter, up to a maximum of 15 feet, unless otherwise approved in writing by the public works director.

(3) No fill material shall be placed within three feet from the outer trunk circumference of any tree.

(4) No fill materials shall be placed within the drip line of any tree in excess of 18 inches in depth. This guideline is subject to modification to meet the needs of an individual tree species, as determined by a certified arborist or licensed landscape architect.

(5) No substantial compaction of the soil within the drip line of any tree shall be undertaken.

(6) No construction, including structures and walls, that disrupts the root system shall be permitted. As a guideline, no cutting of roots should occur within a distance equal to $3\frac{1}{2}$ times the trunk diameter, as measured at ground level. Actual setback may vary to meet the needs of individual tree species as determined by a certified arborist or licensed landscaped architect. When some root removal is necessary, the tree crown may require thinning to prevent wind damage.

(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-34. - City-owned trees removal.

Within available resources, the city shall implement practices to prevent the removal of existing public trees whenever possible. The removal of a single tree or groups of trees may be approved pursuant to this article, after one of the following findings has been made:

(1) The tree is dead.

(2) The tree has reached an over-mature condition for its pre-existing location and will result in the deterioration of surrounding hardscaped areas potentially resulting in a health and safety hazard.

(3) The tree which is infected with a disease which cannot be treated successfully, or there is a strong potential that the pathogen could spread to other trees in the immediate vicinity.

(4) The tree has a severe void of heartwood due to wood consuming organisms which could potentially cause catastrophic failure (i.e. collapse).

(5) A tree has been determined to be a hazard because of its high potential for failure due to considerable dead or dying foliage, branches, roots or trunk.

(6)The tree requires extensive root pruning because of excessive hardscape damage resulting in the severe reduction of its capacity to support itself thereby creating a potential safety hazard.

(7)A healthy living tree that has caused damage to any underground utility as a result of root blockage.

(8)A tree that is causing an immediate threat to the health and safety or general welfare of the public.

(9)As part of a master plan approved by city council.
(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-35. - Inspection and evaluation process.

(a) Prior to the removal of any city-owned tree, it shall be the city's responsibility to evaluate the condition of the tree's root system, trunk, branching system, canopy and foliage. Based upon this evaluation, the public works director in consultation with the city's tree commission shall make a determination as to whether the tree must be removed. However, in the case of a heritage tree the final determination will be made by city council upon recommendation by the tree commission. Public works staff and if necessary the public works director shall initiate the review process. In cases where, following an evaluation by public works staff, a tree is posing an immediate hazard and is considered to be a threat to public safety, the public works director shall have administrative authority to allow the tree to be immediately removed in the interest of public safety.

(b)The city council shall have the discretion to identify special situations where a targeted replacement program may be desirable. An example is a comprehensive streetscape project in a commercial district where a primary goal is to unify the area through a newly designed streetscape. Street trees are a significant unifying feature and it may be important to replace all or a portion of the trees in order to create this unity and give a special identity to the particular street. In cases where this is appropriate as determined by the city council, the city shall make relocation of existing healthy trees that are removed a priority.

(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-36. - Relocation and transplanting.

In the event a city-owned tree must be removed pursuant to one of the conditions outlined in section 98-34 of this article, all reasonable efforts should be made to conserve these trees through transplanting. The following factors should be considered when attempting to relocate a tree:

(1)The appraised value and species of the tree in relation to the cost of relocation.

(2)The available size of grow space for the root ball of the relocated tree.

(3)How the tree is to be transported.

(4)How the tree can be maneuvered into the site once it gets there.

(5)Existing underground and overhead utilities.

(6)Long-term and short-term maintenance and irrigation requirements of the tree.

(7)The mature size of the tree.

(8)Chances of surviving relocation.

(9)Public concerns.

(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-37. - Tree plans.

(a)The public works department in conjunction with the city's tree commission shall review all plans for new development in the city and may require as a condition of approval of a project that a particular number of street trees of the species desired in section 98-38 be planted in accordance with this article.

(b)Specific tree plans/tree focus areas, specifically designed to enhance/revitalize a certain area of the city, where trees are to be planted on public property, may also be adopted and amended by resolution of the city council from time-to-time. Once adopted, these plans shall also be included into this article and comply with all requirements and regulations set forth herein. All street trees shall be planted per the city residential and commercial tree planting standards on file in the public works department.

(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-38. - Tree master plan.

The tree commission shall prepare, and the city council shall adopt, a master plan which provides for the planting, care, preservation, maintenance, removal and appropriate species for all trees on public property.

(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-39. - Street tree species.

All street trees planted shall be in accordance with the city's tree master plan, and/or as directed by the city's tree commission or by standards set forth by the NAA and/or ISA.

(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-40. - Tree topping.

It shall be unlawful for any person to top any street tree or other tree on public property. Trees severely damaged by storms or other natural causes or trees under utility wires or other obstructions which cannot be removed to provide for proper pruning may be exempted from this section by the public works director or his designee. An application for an exemption from this section must be filed with the public works department.
(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-41. - Requests for parkway trees.

Requests for a parkway tree shall be submitted in writing to the public works department. A request will be considered once the property owner has demonstrated that the parkway is well maintained, in accordance with division 6 of this Code, and groundcover if applicable is planted and maintained. If a request is approved the tree will be planted in accordance with the residential and commercial tree planting standards on file in the public works department and in accordance with species outlined in section 98-39 of this article.
(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-42. - Enforcement.

The public works director, through city police officers, building inspectors and members of the public works department, in the course of their duties, when monitoring construction activities, shall check for compliance with the provisions of this article. Any irregularities or suspected violations of this article shall be reported immediately to the public works director.
(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-43. - Violations.

(a)It has been determined that street trees within the city are valuable environmental assets to the citizens of the community and as a result of the loss of any trees on public property, the public should be compensated, and penalties applied to assure the primary goal of conservation, protection and preservation of trees as set forth in this article.

(b)It shall be unlawful for any person to violate any provision of this article.

(c)In addition to or in lieu of penalties provided in chapter 1, any person who violates any provision of this article may be required to make restitution. Such restitution may include, but shall not be limited to the replacement of a tree which has been removed, cut and/or damaged by planting a new tree of comparable size or equivalent footage.

(d)The cost for replacement of a street tree, pursuant to this article, shall include the actual cost of a replacement street tree to replace the street tree that has been removed, cut, damaged or destroyed, and shall also include the cost of transporting and planting the replacement street tree. The type, number, size and location of replacement street trees shall be determined by the public works director or his or her designee.

(e)The city council hereby directs that all fines imposed for violation of this article be used in reforestation efforts or for the implementation of a component of the tree master plan.
(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-44. - Appeal of action.

Any person whose application for a permit under this article has been refused by the public works director or his designee who may consider that the provisions of this article would cause a manifest injury to be done or is aggrieved may appeal to the city tree commission. Any person aggrieved in a similar manner by any action taken by the tree commission may appeal such action the city council. The city council may appeal any action taken by the commission to the city council by majority vote of a quorum. The tree commission, and ultimately the city council if appealed, shall make final determination of the street trees that may be planted in, upon or along any portion thereof and the distances apart at which such street trees shall be planted.

(Ord. No. 1539, § 3, 11-4-2002)

Sec. 98-45. - Filing of appeals.

Appeals made pursuant to this article shall be addressed to the appellate body on a form prescribed by such body, and shall state the basis of the appeal. An appeal of an action by the director shall be filed with the public works department within ten days following the date of action for which an appeal is made. An appeal of a tree commission decision shall be filed in the office of the city clerk within ten days following the date of action accompanied by the filing fees as specified by the city council.

(Ord. No. 1539, § 3, 11-4-2002)

Secs. 98-46—98-60. - Reserved.

ATTACHMENT "B"**Chapter 2 - Administration****Article V. Boards, Commissions, Committees, Agencies and Authorities****DIVISION 7. TREE COMMISSION****Sec. 2-600. - Created.**

There is established a tree commission in and for the city.
(Ord. No. 1531, § 2, 5-20-2002)

Sec. 2-601. - Composition and appointment of members.

The tree commission shall consist of five members. The commission shall include one councilmember, the public works director, the community development director, a certified arborist, horticulturist, landscape architect or other similarly-trained professional (the "professional"), and one at-large member from the community (the "at-large member").
(Ord. No. 1531, § 2, 5-20-2002)

Sec. 2-602. - Terms of members.

Terms of office of the councilmember, the professional, and the at-large member shall be three-years, at the will of the city council. The public works director and community development director shall serve indefinitely at the will of the city council.
(Ord. No. 1531, § 2, 5-20-2002)

Sec. 2-603. - Vacancies; removal.

(a) If a vacancy occurs in the tree commission for any reason, such vacancy shall be filled by appointment by the city council.

(b) Whenever, in the discretion of the city council, the best interests of the city will be served thereby, any member of the tree commission may be removed from office by the city council.
(Ord. No. 1531, § 2, 5-20-2002)

Sec. 2-604. - Officers generally.

(a) Chair. The members of the tree commission shall annually in June elect one of its number as chair to serve for a one-year term or until a successor is elected.

(b) Vice-chair. The members of the tree commission shall annually in June elect one of its number as vice-chair to serve for a one-year term or until a successor is elected.

(c) Secretary. The public works director or his or her designee shall serve as secretary to the commission.

(d) Absence of chair, vice-chair and/or secretary. In the absence of the chair, the vice-chair, and/or the secretary, any other member shall call the meeting to order, whereupon a chair and/or a secretary shall be elected from the members present to preside for that meeting.

(Ord. No. 1531, § 2, 5-20-2002)

Sec. 2-605. – Compensation.

The city council shall fix the amount of compensation, if any, to be paid to the members of the tree commission.

(Ord. No. 1531, § 2, 5-20-2002)

Sec. 2-606. - Meetings generally.

The members of the tree commission shall meet at least once a quarter at such time and place as it may fix by resolution. Special meetings may be called at any time by the chair of the commission or four members thereof by written notice served upon each member of the commission at least 48 hours before the time for the proposed meeting. Proper posting and Brown Act procedures will be followed.

(Ord. No. 1531, § 2, 5-20-2002)

Sec. 2-607. - Quorum.

Three members of the tree commission shall constitute a quorum for the transaction of business, but a lesser number may adjourn from time to time for want of a quorum until a quorum can be obtained.

(Ord. No. 1531, § 2, 5-20-2002)

Sec. 2-608. - Absence from meetings.

(a) Absence from three consecutive regular meetings of the tree commission by a member with or without consent of the commission shall be deemed to constitute a retirement of such member, and his office shall become vacant. The vacancy thus created shall thereafter be filled by appointment by the city council of a successor to fill the unexpired term of office.

(b) Absence from three regular meetings of the commission in a 12-month period by a member without consent of the commission or absence from four regular meetings of the commission within a 12-month period by a member with the consent of the commission shall be deemed to constitute a retirement of such member, and his office shall become vacant. The vacancy thus created shall thereafter be filled by appointment by the city council of a successor to fill the unexpired term of office.

(c) Any member whose absences from regular meetings of the commission are deemed to constitute a retirement of such member under this section shall have the right to appeal the deemed retirement. The city council may overturn the deemed retirement if it determines that the absences of the member were the result of unusual circumstances.

(Ord. No. 1531, § 2, 5-20-2002)

Sec. 2-609. - Powers and duties generally.

The powers and duties of the tree commission shall be as follows:

(1)To act in an advisory capacity to the city council on matters pertaining to the improvement and beautification of the city's urban forest, and to provide an official entity through which the city may organize and implement plans.

(2)To establish procedures and rules of operation, as it deems necessary to give effect to the intent and purpose of this ordinance, subject to the approval of the city council, and to perform such other duties as may be prescribed by the city council.

(3)To oversee the preparation of, the reviewing of, and the recommendation of a city-owned tree inventory, master plan, and work plan/budget to the city council for implementation.

(4)To be instrumental in evaluating needs, setting goals, and establishing policies for the community forestry program.

(5)To recommend legislation to the city council regarding the urban forest.

(6)To provide information regarding the selection, planning and maintenance of trees on public property.

(Ord. No. 1531, § 2, 5-20-2002)

Sec. 2-610. - Rules and regulations.

Subject to the approval of the city council, the tree commission may make and alter such rules and regulations for its organization and procedure as are consistent with this chapter, other city ordinances and state law.

(Ord. No. 1531, § 2, 5-20-2002)

Sec. 2-611. - Reports and records.

The tree commission shall keep an accurate record of all its proceedings and transactions and shall render annually, on a calendar basis, a full report of the commission's transactions and recommendations to city council.

(Ord. No. 1531, § 2, 5-20-2002)

Sec. 2-612. - Cooperation by other officers and departments.

All city officers, departments and department heads shall cooperate and render all reasonable and necessary assistance to the tree commission.

(Ord. No. 1531, § 2, 5-20-2002)

Sec. 2-613. - Incurring financial liability.

Neither the tree commission nor any person connected with the commission shall incur any financial liability in the name of the city.

(Ord. No. 1531, § 2, 5-20-2002)

ATTACHMENT “C”

City of San Fernando

Municipal Code Tree Removal Process

