

MEMORANDUM

TO: City Council
FROM: City Manager
DATE: November 19, 2018
SUBJECT: Comments on Agenda Items, Meeting of November 27, 2018

NOTE: A reception will be held at 6:00 pm for retiring Director of Parks and Recreation Cesar Monsalve.

ITEM 8.A. Cesar Monsalve, Director of Parks and Recreation will be presented with a City plaque recognizing him for 27 years of dedicated service to the City's Parks and Recreation Department.

ITEM 8.B. Assistant Los Angeles County Fire Chief Jim Enriquez will be retiring from his post after 33 years of service. The Council will be presenting him with a formal plaque to recognize him for his service, especially during the Fish Fire and subsequent mudslides that occurred in the years following the incident.

ITEM 8.C. Public Safety Director Brian Villalobos will be presenting his monthly Public Safety update to the City Council and community.

ITEM 12.D (Consent). The nomination period for the election of the WQA board member and alternate representing cities without water pumping rights closed October 19th. Each City may cast their votes for one nominee via resolution. All resolutions must be received by the Water Quality Authority prior to noon on December 18, 2018. The list of nominations includes Margaret Clark, City of Rosemead, nominated by the Cities of Rosemead, San Dimas, La Verne, Bradbury, Temple City and Sierra Madre; Juli Costanzo, City of San Gabriel, nominated by San Gabriel; and Valerie Munoz, City of La Puente, nominated by the cities of La Puente and South El Monte.

ITEM 12.E (Consent). At the last City Council meeting, Council passed urgency Ordinance No. 887 setting reasonable restrictions on sidewalk vending including the requirement to apply for and receive a permit. To complement the Ordinance, staff has prepared Resolution 18-R-45 approving a Street Vendor Permit Fee of \$250. The staff report includes a Service Fee Worksheet that was used to calculate the cost of services relating to issuing the permit, plus a \$10 vendor badge fee. The fee will go into effect 30 days after adoption of the resolution.

ITEM 12.F (Consent). This item is an authorization for the City to enter a Professional Services Agreement with Emergency Planning Consultants in the amount of \$25,000 for the preparation of an update to the City's Local Hazard Mitigation Plan (LHMP) and approve a budget amendment for the same amount. The City prepared and adopted its first LHMP in 2004 and another update was adopted in 2014. The City has recently been informed by CALOES that its LHMP is set to expire and has requested FEMA approval of the City's plan prior to November of 2019. This approval is part of that overall process.

ITEM 14.A (Public Hearing). This proposed purchase and sale agreement with Duarte Plaza Development for \$650,000 includes the sale of properties at 1303 and 1305 Huntington Drive, the former location of Sparr Liquor and Western Dental. The developer has submitted preliminary plans that calls for a two-pad building approximately 8,500 sq. ft. in size, and a plaza at the corner of Buena Vista Street and Huntington Drive. The project will also include an upgrade of the entire parking lot area of the adjacent shopping area including repaving, new lighting, and landscape, in addition to other aesthetic improvements.

ITEM 14.B (Public Hearing). The Los Angeles County Community Development Commission requires participating cities such as Duarte to submit their proposed use of their annual CDBG allocation by February 1, 2019 including project descriptions, budgets, etc. Staff is asking City Council to approve the allocation of all FY 2019-2020 funds in the amount of \$151,723 to continue the installation of American with Disabilities Act (ADA) curb ramp projects.

ITEM 15 (Business Item). Karen Warner Associates will be presenting to the City Council for approval the 2018 Housing Strategy. The purpose the Strategy is to provide a mid-period look at the City's 2014-2021 Housing element. The document focuses on priorities including meeting unmet regional housing numbers, housing near transit, addressing affordable projects that are "at-risk" of losing affordability status and similar programs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Darrell J. George', written over a horizontal line.

Darrell J. George
City Manager

MINUTES

JOINT CITY COUNCIL/CITY COUNCIL AS SUCCESSOR AGENCY TO DISSOLVED REDEVELOPMENT AGENCY/HOUSING AUTHORITY/COMMUNITY FACILITIES FINANCING AUTHORITY OF THE CITY OF DUARTE REGULAR MEETING – NOVEMBER 13, 2018

CALL TO ORDER	The City Council/City Council as Successor Agency to Dissolved Redevelopment Agency/Housing Authority/Community Facilities Financing Authority of the City of Duarte met in a regular meeting in the Council Chambers, 1600 Huntington Drive, Duarte, California. Mayor Fasana called the meeting to order at 7:12 p.m.
RECORDATION OF ATTENDANCE	The following were in attendance: PRESENT: Finlay, Kang, Paras-Caracci, Reilly, Fasana ABSENT: None ADMINISTRATIVE STAFF PRESENT: City Manager George, Assistant City Attorney Webb
ADOPTION OF AGENDA	Finlay moved, Kang seconded to adopt the Agenda, and carried unanimously.
PLEDGE TO THE FLAG	Jocelyn Nunez led the Pledge of Allegiance to the Flag. Mayor Fasana welcomed Councilmembers-elect Jocelyn Nunez and Brian Urias to the meeting, as well as re-elected Councilmembers Finlay and Paras-Caracci, and re-appointed Councilmember Kang.
MOMENT OF REFLECTION	Fasana provided a moment of reflection.
FITNESS/MENTAL WARM-UP	Kang and Finlay provided the warm-up.
SPECIAL ITEMS	Craig Hensley introduced Gerard Batista, the City's new Field Services Manager, who expressed his appreciation for being selected and being able to return to the City as an employee. City Council welcomed Mr. Batista back to the City.
Introduction – Gerard Batista Field Services Manager	
Recognition – Global Eagle Aviation Group – Parade Flyover	Mayor Fasana thanked Councilmember Kang for his assistance with the flyover, and presented Certificates of Appreciation to Global Eagle Aviation Group, Fulgent Genetics, and the Chinese American Pilot and Aircraft Owner Association for arranging, sponsoring, and flying over the Duarte Route 66 Parade.
Recognition – Max's Mexican Cuisine – EOC and CERT	Brian Villalobos introduced members of the CERT team, and presented a plaque to Max's Mexican Cuisine in appreciation of its support of Public Safety, the Duarte EOC, and the Community Emergency Response Team (CERT) by donating food and beverages during training and emergency events.
Mayor's Youth Council update	Faith Peoples and Samantha Martinez, Mayor's Youth Council, provided an update on Teen Center events.

ANNOUNCEMENTS

Joanna Gee, Duarte Library, announced upcoming classes, programs, events, workshops, and story times in November.

Karen Herrera announced upcoming community events, meetings, programs, and activities in November and December.

ORAL COMMUNICATIONS

The following spoke on items not on the Agenda.

Chris Castaneda – Off-street parking.

Rachel Castaneda – Accessory dwelling unit.

Han Tran – Accessory dwelling unit.

CONSENT CALENDAR

Finlay moved, Reilly seconded to approve the Consent Calendar as follows, and carried unanimously.

Approve Items A, B, C, D, E, F, G.

Item D – RESOLUTION 18-43 Exempt from CMP

Council Bill 18-R-43 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUARTE ELECTING TO BE EXEMPT FROM THE CONGESTION MANAGEMENT PROGRAM

BUSINESS ITEMS

Lease Agreement – Verizon
Royal Oaks Park Extension

David Eoff IV, Associate Planner, presented a staff report and described the lease agreement terms, initial up-front payment, monthly lease payment, and use of parking lot, and answered questions from Councilmembers. Cesar Monsalve, Director of Parks and Recreation, stated the Parks and Recreation Commission supports this Agenda item and proposed improvements at Royal Oaks Park Extension.

Anne Wilkins, Parks and Recreation Commissioner, stated she is impressed, and asked that City Council approve the lease.

Reilly moved, Kang seconded to authorize the City Manager to execute a lease agreement with Verizon Wireless for construction and operation of a wireless communication facility at 2701 Royal Oaks Drive (Royal Oaks Park Extension), and carried unanimously.

Discussion/Direction–FlashVote Survey Service

Karen Herrera presented a staff report about the FlashVote Survey service, current contract, and database, stated staff is requesting City Council direction on topics or projects they would like to have surveyed, and introduced FlashVote CEO Kevin Lyons, who provided information about the company, including its scientific way to survey and engage, and survey platform.

There was discussion about constructing the survey, accuracy, turn-around time, multi-lingual capability, cost, and possible topics for the survey to include a community celebration in July, transit, and other topics provided by Commissions.

URGENCY ORDINANCE

Council Bill 18-O-09
Sidewalk Vending (SB 946)

Fasana read by title Council Bill 18-O-09:

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DUARTE CREATING A PROGRAM TO REGULATE AND PERMIT SIDEWALK VENDING PURSUANT TO CALIFORNIA SENATE BILL 946 (URGENCY)

Brian Villalobos presented a staff report about SB 946, the new law regulating sidewalk vending, stated the proposed urgency ordinance complies with the new law, and answered questions from City Councilmembers.

Assistant City Attorney Webb provided information about the adoption of the urgency ordinance. Kristen Petersen clarified a question about fees pertaining to non-profits.

ORDINANCE NO. 887

Finlay moved, Paras seconded to adopt Urgency Ordinance No. 887, and carried by the following Roll Call vote:

AYES: Paras-Caracci, Finlay, Kang, Reilly, Fasana

NOES: None

ITEMS FROM CITY COUNCIL/ CITY MANAGER

GEORGE: Stated although we did not win the Eddy Award, he is very proud of our team, and hopeful for next year.

PARAS-CARACCI: Congratulated Azusa for winning the Eddy Award, appreciated the recognition, congratulated Kiwanis and Rotary on the Family Fun Fest, attended the Veterans Day event, congratulated her colleagues Councilmembers Finlay and Kang, new Councilmembers Nunez and Urias, and stated she looks forward to working together.

REILLY: Attended Veterans Day event, School District art exhibit, and the cell tower location, stated a large group of cyclists were bicycling around vehicles, and attended the Historical Museum annual meeting.

FINLAY: Inquired about street sweeping of the bike trail (Hensley responded), stated community members from Bradbury and Monrovia use our bike path, perhaps they could help contribute to its maintenance, attended NLC City Summit in L.A., Veterans Day event, and Unity March, inquired about dog bags at Glenn Miller Park (Monsalve responded), stated there is a possibility the fireworks ban may pass, people like the idea of a family festival perhaps at the high school with a fireworks show, Brad Patterson worked with South Pasadena on its fireworks show, suggested staff could work with the School District on a community celebration, congratulated newly elected Councilmembers Nunez and Urias, and Councilmembers Paras-Caracci and Kang, and thanked citizens for re-electing her.

KANG: Stated this City Council has had a great five years, he looks forward to serving with the new Councilmembers, and inquired about the recent incident at the Edison tower (George responded).

FASANA: Congratulated his colleagues on their re-election and re-appointment, Councilmembers-elect Nunez and Urias, and those elected to the School Board, attended the Walk for Hope, Think Together event at Valley View, Assemblymember Rubio's

domestic violence and CalPERS events, Halloween Fun Fest, Duarte High School band field tournament, Monrovia-Duarte Black Alumni Association event, Napolitano recognition breakfast, Family Fun Fest, and Foothill Pregnancy Resource Center event, and stated the asphalt sidewalk on the south side of Central Avenue east of Highland is uneven, and asked if we could look into that.

ADJOURNMENT

Finlay moved, Kang seconded to adjourn the meeting at 9:38 p.m., in memory of Brent Taylor, Sgt. Ron Helus, the victims of the incident in Thousand Oaks, the victims of the California fires, Stan Lee, and the veterans who are no longer with us.

Mayor John Fasana

ATTEST:

City Clerk



City of Duarte

Council Warrant Register Over \$5000

By Payment Number

Payment Dates 11/14/2018 - 11/27/2018

Payment Number	Payment Date	Vendor #	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
134	11/15/2018	4484	U.S. BANK			6,440.78
	102518CM	Kelly Barnes 2018 CPRS Mini Confere	100-1605-7610			32.10
	102518CM	George Dang 2019 CPRS Conference	100-1605-7610			440.00
	102518CM	Marilyn Mays 2019 CPRS Conference	100-1605-7610			440.00
	102518CM	(8) 2018 CPRS Mini Conference 10/23	100-1605-7610			286.41
	102518CM	Halloween Decorations (Oriental Trad	100-1605-7730			79.99
	102518CM	Holiday Events Christmas Crafts (Orie	100-1605-7730			693.96
	102518CM	Halloween Supplies (Amazon)	100-1605-7730			77.97
	102518CM	SC Appreciation Dinner Candy Mix (A	100-1605-7733			79.98
	102518CM	SC Tissue Dispenser Box Covers/Mesh	100-1605-7733			259.16
	102518CM	SC Coffee Sleeve Storage Dispenser (	100-1605-7733			16.41
	102518CM	TC Audio Block Rocker/Powered Spea	100-1605-7735			175.19
	102518CM	SC Reading Club Lights/Batteries (Am	100-1605-7735			22.29
	102518CM	TC Men's Jogger Sweatpants (Amazo	100-1605-7735			20.75
	102518CM	Oasis Camel Dairy Tour 3/13/2019	100-1605-7737			466.40
	102518CM	TC Knott's Berry Farm Tickets 10/26/1	100-1605-7738			2,171.52
	102518CM	Nerf Game Supplies (Amazon)	100-1605-7741			60.72
	102518CM	TC Amazing Race Supplies (Amazon)	100-1605-7741			61.21
	102518CM	Cell Phone Holder (Amazon)	100-1605-7741			3.84
	102518CM	Volleyballs (Amazon)	100-1605-7741			267.68
	102518CM	Staff Birthday Cards/Notes Planner (T	100-1605-7980			32.44
	102518CM	Bike Pump Metal Head/Hose (Dero In	100-1610-7618			100.79
	102518CM	Ribbon Cutting Scissors (Amazon)	100-1610-7618			117.50
	102518CM	Table Cloth Cleaning (Natures Cleaner	100-1610-7618			495.00
	102518CM	Citrus Labels-Orange Blossom Park (E	420-4205-8041			39.47
138	11/27/2018	4286	MAXTREME INC			8,900.00
	13373	IT Helpdesk 10/2018	100-1815-7965			8,700.00
	13373	Crash Plan Recovery 10/2018	100-1815-7980			200.00
211347	11/27/2018	5965	ALCO BUILDING SOLUTIONS INC			11,372.00
	01	CC Conference Room Wall Improvem	100-1610-8100			9,950.00
	01	EWO #01 Additional Circuits	100-1610-8100			1,422.00
211358	11/27/2018	5120	CHARLES ABBOTT ASSOCIATES INC			51,309.40
	58852	Bldg Department Services October 20	100-1405-7800			51,309.40
211383	11/27/2018	5637	LA MOBO BUS SERVICE INC			12,081.99
	7669	Bus 103 Road Service (Air Leak Repair	440-4405-7887			216.94
	7670	Veh 4 Hydraulic Leak Repair	100-1410-7650			721.48
	7719	Bus 102 DPF Fuel Injector Assembly	440-4405-7887			1,030.66
	7734	Bus 103 PM Srvc/AC Screen Filters	440-4405-7887			368.86
	7767	Bus 101 PM Service	440-4405-7887			296.86
	7778	Veh 28 AC Blower Motor/Rear Brake	440-4405-7887			516.01
	7795	Veh 24 Radiator/Cooling Fan Shoud/	100-1205-7650			5,407.27
	7832	Bus 103 Horn Switch/Turn Signal Asse	440-4405-7887			363.74
	7851	Bus 103 Fan Belt Repair	440-4405-7887			80.00
	7877	Bus 103 PM Srvc/Belt Tensioner/Light	440-4405-7887			1,178.26
	7888	Bus 104 PM Srvc/AC Screen Filters/Fu	440-4405-7887			621.71
	7893	Veh 28 PM Srvc/Battery/Air Filter	440-4405-7887			468.35
	7897	Veh 29 PM Srvc/2 Tires/Air Filter	100-1205-7650			586.87
	7906	Veh 16 PM Service/Air Filter	100-1605-7650			224.98
211386	11/27/2018	0056	LOS ANGELES COUNTY SHERIFF'S DEPARTMENT			346,359.01
	190885CY	Sheriff Contract 9/2018	100-1205-7781			331,359.01

Council Warrant Register Over \$5000

Payment Dates: 11/14/2018 - 11/27/2018

Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
	190885CY	Sheriff Contract 9/2018		290-2905-7781		15,000.00
211394	11/27/2018	0903	CITY OF MONROVIA			15,804.57
	1900227	City Manager Fuel Sept 2018		100-1010-7650		160.49
	1900229	Field Services Fuel Sept 2018		100-1410-7650		870.66
	1900230	Park and Rec Fuel Sept 2018		100-1605-7650		152.96
	1900230	Field Services Fuel Sept 2018		100-1610-7650		427.72
	1900231	Public Safety Fuel Sept 2018		100-1205-7650		623.37
	1900232	Com Dev Fuel Sept 2018		100-1405-7650		58.11
	1900233	Sheriff Fuel Sept 2018		100-1205-7781		6,270.44
	1900234	Transit Fuel Sept 2018		440-4405-7619		7,240.82
211408	11/27/2018	0904	RKA CONSULTING GROUP			6,156.25
	124483	Las Lomas Sidewalk		470-4705-8060		6,156.25
211420	11/27/2018	1610	SUNWEST ENGINEERING			7,887.00
	180810-009	City Hall Fuel Tank, Test and Repair		100-1410-7656		7,742.00
	180924-071	Underground Fuel Tank Inspection 10		100-1410-7656		145.00
211425	11/27/2018	5948	VIGILANT SOLUTIONS LLC			31,317.02
	19391 RI	Covert Cube Fixed Unit/Reaper Came		100-1205-8100		15,658.51
	19393RI	Covert Cube Fixed Unit/Reaper Came		100-2121		15,658.51
Payment Total:						497,628.02

Report Summary**Fund Summary**

Fund	Payment Amount
100 - GENERAL FUND	464,050.09
290 - SUPPLEMENTAL LAW ENFORCEMENT FUND	15,000.00
420 - QUIMBY ACT FUND	39.47
440 - PROPOSITION A TRANSIT FUND	12,382.21
470 - MEASURE R LR TRANSIT FUND	6,156.25
Grand Total:	497,628.02

Account Summary

Account Number	Account Name	Payment Amount
100-1010-7650	Vehicle Maintenance	160.49
100-1205-7650	Vehicle Maintenance	6,617.51
100-1205-7781	Contract Law Enforceme	337,629.45
100-1205-8100	Other Capital Acquisitio	15,658.51
100-1405-7650	Vehicle Maintenance	58.11
100-1405-7800	Building Department Ser	51,309.40
100-1410-7650	Vehicle Maintenance	1,592.14
100-1410-7656	Emergency Generator	7,887.00
100-1605-7610	Travel, Mtgs & Conf	1,198.51
100-1605-7650	Vehicle Maintenance	377.94
100-1605-7730	Special Events	851.92
100-1605-7733	Senior Center	355.55
100-1605-7735	Teen Center	218.23
100-1605-7737	Adult Excursions	466.40
100-1605-7738	Teen Excursions	2,171.52
100-1605-7741	Sports/Playground Progr	393.45
100-1605-7980	Other Expenses	32.44
100-1610-7618	Building Supplies	713.29
100-1610-7650	Vehicle Maintenance	427.72
100-1610-8100	Other Capital Improvem	11,372.00
100-1815-7965	Professional Services	8,700.00
100-1815-7980	Other Expenses	200.00
100-2121	Pass Through Deposits	15,658.51
290-2905-7781	Contract Law Enforceme	15,000.00
420-4205-8041	Park Improvements (Cap	39.47
440-4405-7619	Fuel And Oil	7,240.82
440-4405-7887	Repairs & Replacements	5,141.39
470-4705-8060	Sidewalk/Concrete Repa	6,156.25
Grand Total:	Grand Total:	497,628.02

Project Account Summary

Project Account Key	Payment Amount
None	497,628.02
Grand Total:	497,628.02



City of Duarte

Council Warrant Register by Account By Fund

Payment Dates 11/14/2018 - 11/27/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
Fund: 100 - GENERAL FUND					
100-1005-7642	U.S. BANK	Margaret Finlay Santa Teresita Gala 10/20/18	133		200.00
100-1005-7642	ROTARY CLUB OF DUARTE	Finlay 2018/19 Dues Q2	211411		110.00
100-1005-7642	ROTARY CLUB OF DUARTE	Finlay 2018/19 Dues Q1	211411		110.00
100-1010-7610	U.S. BANK	Karen Herrera Chamber Board Mtg 10/17/18	133		12.00
100-1010-7610	U.S. BANK	Darrell George Chamber Board Mtg 10/17/18	133		12.00
100-1010-7610	U.S. BANK	Darrell George mtg w/Monrovia CM (Old Spaghetti)	133		42.40
100-1010-7610	U.S. BANK	Darrell George 2019 City Mgr's Conference	133		650.00
100-1010-7610	U.S. BANK	Karen Herrera 2019 City Mgr's Conference	133		500.00
100-1010-7610	U.S. BANK	Darrell George Mtg w/Councilmember (Coffee Bean)	133		4.98
100-1010-7614	U.S. BANK	Darrell George Cell Phone Case (Best Buy)	133		41.59
100-1010-7614	STAPLES ADVANTAGE	Notepads/Calendar	211339		12.51
100-1010-7650	CITY OF MONROVIA	City Manager Fuel Sept 2018	211394		160.49
100-1010-7650	SHELL	Fuel-City Manager 10/2018	211415		33.00
100-1010-7651	MARTIN & CHAPMAN CO	Election Supplies 2018	211389		12.29
100-1010-7670	SAN GABRIEL VALLEY NEWSPAPERS	Legal Advertising 10/2018	211412		2,638.00
100-1010-7980	U.S. BANK	Closed Session Snacks (Target)	133		29.49
100-1010-7980	U.S. BANK	D'Aquino Gift (Golden Plate Award)	133		128.13
100-1010-7980	U.S. BANK	Council Workshop Food 10/9/18 (Vons)	137		57.92
100-1010-7980	U.S. BANK	Council Workshop 9/25/18 (Panda Express)	137		156.59
100-1010-7980	U.S. BANK	Council Workshop Food 9/25/18 (Smart & Final)	137		46.17
100-1020-7712	U.S. BANK	Facebook Ads	133		52.16
100-1020-7712	U.S. BANK	Hootsuite 11/2/18 - 12/1/18	133		14.99
100-1020-7712	U.S. BANK	Canva Design Tool 10/7/18 - 10/7/19	133		119.40
100-1020-7716	CABRERA'S DUARTE	Mayor's Prayer Breakfast	211326		1,000.00
100-1020-7716	PASTOR MICHAEL LEE	Mayor's Prayer Breakfast Speaker	211333		250.00
100-1020-7716	DUARTE RECREATION PETTY CASH	Veteran's Day Event Coffee/Creamer	211370		59.03
100-1020-7716	RANCHO DUARTE FLORIST	Veteran's Day Event Flowers	211404		65.70
100-1020-7716	LYNCH SIGN CO	Veteran's Day Banners	211387		312.08
100-1020-7716	CARLOS MARTINEZ	Veteran's Day Event Tent Rental	211391		100.00
100-1020-7722	GRANICUS INC	Granicus Website Maint 10/1/18 - 12/31/18	211380		2,777.91
100-1020-7726	U.S. BANK	Adobe Creative Cloud	137		34.99
100-1020-7980	DEKRA-LITE INDUSTRIES INC	Christmas Decoration Adapters	211366		1,054.49
100-1205-7610	AIDA TORRES	CAL VIP Grant Training	211341		162.92
100-1205-7610	U.S. BANK	Tech 4 Teens Gift Cards (Starbucks)	135		40.00
100-1205-7610	U.S. BANK	Brian Villalobos Contract Cities Fall Conf Hotel	135		544.00
100-1205-7610	U.S. BANK	Tech 4 Teens Snacks (Target)	135		48.60
100-1205-7610	U.S. BANK	Aida Torres CAL VIP Grantee Mandatory Orientation	135		200.32
100-1205-7610	U.S. BANK	Aida Torres CAL VIP Training Airfare 10/19/18	135		156.98
100-1205-7610	U.S. BANK	Aida Torres CAL VIP Training Airfare 10/18/18	135		65.98
100-1205-7610	U.S. BANK	Aida Torres CAL VIP Training Early Bird Charge	135		15.00
100-1205-7610	U.S. BANK	Tech 4 Teens Class Lunch (Tropicana Market)	135		54.99
100-1205-7612	ROTARY CLUB OF DUARTE	Villalobos 2018/19 Dues Q2	211411		230.00
100-1205-7612	ROTARY CLUB OF DUARTE	Villalobos 2018/19 Dues Q1	211411		230.00
100-1205-7614	STAPLES ADVANTAGE	Office Supplies	211419		101.02
100-1205-7614	SHAFFER AWARDS	City Plaque (Max's Mexican Cuisine)	211414		54.70
100-1205-7615	WALMART COMMUNITY/RFCSLC	CERT Networking Event Supplies	211343		48.46
100-1205-7650	VISION COMMUNICATIONS CO	Veh 25 Two Way Install VHF & UHF Radio	211427		2,951.09
100-1205-7650	VISION COMMUNICATIONS CO	Veh 25 Mag Mic Clip Kit	211427		76.66
100-1205-7650	CITY OF MONROVIA	Public Safety Fuel Sept 2018	211394		623.37
100-1205-7650	AUTOZONE	Veh 34 Air Freshener	211348		10.72
100-1205-7650	SIERRA CHRYSLER DODGE JEEP RA	Vehicle 24 Tension Struts	211416		455.79
100-1205-7650	LA MOBO BUS SERVICE INC	Veh 24 Radiator/Cooling Fan Shoud/Water Pump	211383		5,407.27
100-1205-7650	LA MOBO BUS SERVICE INC	Veh 29 PM Srvc/2 Tires/Air Filter	211383		586.87

Council Warrant Register by Account

Payment Dates: 11/14/2018 - 11/27/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
100-1205-7779	OLGALIVIER GARCIA	PS Office Intern 11/2018	211377		100.00
100-1205-7780	D & D SERVICES INC	Deceased Animal Disposal 10/2018	211365		316.80
100-1205-7781	CITY OF MONROVIA	Sheriff Fuel Sept 2018	211394		6,270.44
100-1205-7781	LOS ANGELES COUNTY SHERIFF'S D	Sheriff Contract 9/2018	211386		331,359.01
100-1205-7980	U.S. BANK	Amazon Web Svcs Credits (TechSoup)	139	201904-Other Exp-Tobacco Grant	175.00
100-1205-7980	U.S. BANK	Youth Knott's Berry Farm Meals 10/14/18	135		62.20
100-1205-7980	U.S. BANK	Red Ribbon Week Volunteer Coffee (Starbucks)	135	201904-Other Exp-Tobacco Grant	33.90
100-1205-7980	U.S. BANK	Red Ribbon Volunteer Breakfast (A&P Donuts)	135	201904-Other Exp-Tobacco Grant	40.00
100-1205-7980	U.S. BANK	Red Ribbon Volunteer Lunch 10/18/18 (Tropicana)	135	201904-Other Exp-Tobacco Grant	364.93
100-1205-7980	U.S. BANK	iPhone Case/Power Cords (Staples)	135		76.64
100-1205-7980	U.S. BANK	Hike w/Deputy Maclean Lunch 10/8/18 (In N Out)	135		47.80
100-1205-7980	U.S. BANK	Tobacco Sting Operation Lunch 9/26/18	135	201904-Other Exp-Tobacco Grant	99.98
100-1205-7980	U.S. BANK	Red Ribbon Volunteer Snacks (Grocery Outlet)	135	201904-Other Exp-Tobacco Grant	43.45
100-1205-7980	U.S. BANK	Tobacco Control Website Domain (Amazon Web Svcs)	135	201904-Other Exp-Tobacco Grant	12.00
100-1205-7980	CURO MANAGED PRINT PRODUCTI	Tobacco Control Event Recruiting	211364	201904-Other Exp-Tobacco Grant	207.10
100-1205-7980	CURO MANAGED PRINT PRODUCTI	Tobacco Red Ribbon Week Marketing Materials	211364	201904-Other Exp-Tobacco Grant	1,193.99
100-1205-7980	WALMART COMMUNITY/RFCSLLC	Supplies for Tobacco Prevent and Ed Prgm	211343	201904-Other Exp-Tobacco Grant	112.18
100-1205-7980	WALMART COMMUNITY/RFCSLLC	Red Ribbon Week Supplies	211343		48.31
100-1205-8100	VIGILANT SOLUTIONS LLC	Covert Cube Fixed Unit/Reaper Camera/Comm Box	211425		15,658.51
100-1405-7610	U.S. BANK	Craig Hensley APA Conf Hotel (Sheraton)	136		299.42
100-1405-7610	U.S. BANK	APA Conf Lunch (Hensley,Golding,Baldwn) 10/8/18	136		78.43
100-1405-7612	U.S. BANK	Daily Bulletin Online Subscription	136		10.23
100-1405-7613	U.S. BANK	Lg Data File Transfer Site-Hightail	136		15.99
100-1405-7613	RICOH USA INC	Lg Format Copier 11/1/18 - 1/31/19	211407		69.66
100-1405-7614	STAPLES ADVANTAGE	Office Supplies	211339		115.64
100-1405-7614	STAPLES ADVANTAGE	Office Supplies	211339		53.94
100-1405-7614	STAPLES ADVANTAGE	Office Supplies	211339		1.64
100-1405-7614	STAPLES ADVANTAGE	Office Supplies	211339		-23.35
100-1405-7614	STAPLES ADVANTAGE	Office Supplies	211339		154.58
100-1405-7614	STAPLES ADVANTAGE	Office Supplies	211339		108.38
100-1405-7614	STAPLES ADVANTAGE	Office Supplies	211339		57.05
100-1405-7650	CITY OF MONROVIA	Com Dev Fuel Sept 2018	211394		58.11
100-1405-7800	CHARLES ABBOTT ASSOCIATES INC	Bldg Department Services October 2018	211358		51,309.40
100-1405-7975	U.S. BANK	Craig Hensley Visa Charges Ending 10/25/18	136		4,000.00
100-1405-7975	ECONOMIC & PLANNING SYSTEMS	Sales Tax Assessment (946,952,962 Hunt Dr)	211371		206.25
100-1405-7975	TRIEPEI SMITH & ASSOCIATES	Economic Development Video	211342		1,915.00
100-1405-7975	TOWN SQUARE PUBLICATIONS LLC	City of Duarte Ad	211423		1,487.50
100-1405-7980	U.S. BANK	AutoCAD Annual Subscription (2) 11/24/18-11/23/19	137		1,204.72
100-1405-7980	HOME DEPOT CREDIT SERVICES	Duarte Park Supplies	211331		30.58
100-1410-7612	U.S. BANK	Efren Castro Pest Control License	136		60.00
100-1410-7636	RED DOT UNIFORMS	Crew Uniforms	211405		827.78
100-1410-7650	CALIFORNIA AIR RESOURCES BOAR	Chipper Body Registration (3 yr)	211354		350.00
100-1410-7650	CITY OF MONROVIA	Field Services Fuel Sept 2018	211394		870.66
100-1410-7650	LA MOBO BUS SERVICE INC	Veh 4 Hydraulic Leak Repair	211383		721.48
100-1410-7650	HUNTINGTON & DUARTE INC	Vehicle 5 Fuel	211335		94.03
100-1410-7656	SUNWEST ENGINEERING	City Hall Fuel Tank, Test and Repair	211420		7,742.00
100-1410-7656	SUNWEST ENGINEERING	Underground Fuel Tank Inspection 10/2018	211420		145.00
100-1410-7887	U.S. BANK	Traffic Signal Security Lights (Grainger)	136		181.25
100-1410-7887	HOME DEPOT CREDIT SERVICES	Security Camera Electrical Repair	211331		13.53
100-1410-7887	HOME DEPOT CREDIT SERVICES	RO Park Return (Elec Repair)	211331		-459.77
100-1410-7887	HOME DEPOT CREDIT SERVICES	Spring Links for Banners	211331		52.10
100-1410-7887	HOME DEPOT CREDIT SERVICES	RO Park Elec Repair	211331		459.77
100-1410-7887	HOME DEPOT CREDIT SERVICES	RO Park Elec Repairs	211331		262.67
100-1605-7610	U.S. BANK	Marilyn Mays 2019 CPRS Conference	134		440.00
100-1605-7610	U.S. BANK	(8) 2018 CPRS Mini Conference 10/23/18	134		286.41
100-1605-7610	U.S. BANK	Kelly Barnes 2018 CPRS Mini Conference 10/23/18	134		32.10
100-1605-7610	U.S. BANK	George Dang 2019 CPRS Conference	134		440.00
100-1605-7614	STAPLES ADVANTAGE	Office Supplies	211339		21.86
100-1605-7614	STAPLES ADVANTAGE	Office Supplies	211419		22.49
100-1605-7614	STAPLES ADVANTAGE	Office Floor Mats/Misc Office Supplies	211419		387.07

Council Warrant Register by Account

Payment Dates: 11/14/2018 - 11/27/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
100-1605-7650	CITY OF MONROVIA	Park and Rec Fuel Sept 2018	211394		152.96
100-1605-7650	LA MOBO BUS SERVICE INC	Veh 16 PM Service/Air Filter	211383		224.98
100-1605-7650	HUNTINGTON & DUARTE INC	Vehicle 31 Fuel	211335		39.90
100-1605-7693	CABRERA'S DUARTE	TC MYC Meeting Dinner	211352		153.30
100-1605-7728	SMART & FINAL	Little Free Library Refreshments	132	201909- Duarte's Promise - America's Pro	59.55
100-1605-7728	RELATION INSURANCE	AmeriCorps Insurance 11/2018	211406	201909- Duarte's Promise - America's Pro	912.75
100-1605-7728	RELATION INSURANCE	AmeriCorps Insurance 12/2018	211406	201909- Duarte's Promise - America's Pro	2,129.75
100-1605-7730	SMART & FINAL	Halloween Supplies	132		476.97
100-1605-7730	SMART & FINAL	Halloween Howl	132		17.98
100-1605-7730	U.S. BANK	Halloween Decorations (Oriental Trading)	134		79.99
100-1605-7730	U.S. BANK	Holiday Events Christmas Crafts (Oriental Trading)	134		693.96
100-1605-7730	U.S. BANK	Halloween Supplies (Amazon)	134		77.97
100-1605-7730	U.S. BANK	Snow Machine Rental 12/5/2018	139		609.95
100-1605-7730	DUARTE PIZZA COMPANY	Halloween Howl Food	211369		47.26
100-1605-7730	WALMART COMMUNITY/RFCSLLC	Halloween Bike Giveaway	211343		118.26
100-1605-7730	WALMART COMMUNITY/RFCSLLC	Halloween Howl	211343		39.48
100-1605-7730	WALMART COMMUNITY/RFCSLLC	Halloween Supplies	211343		116.21
100-1605-7733	SMART & FINAL	SC Supplies	132		18.44
100-1605-7733	SMART & FINAL	Teen Center/Amazing Race	132		47.46
100-1605-7733	U.S. BANK	SC Tissue Dispenser Box Covers/Mesh File Cart	134		259.16
100-1605-7733	U.S. BANK	SC Appreciation Dinner Candy Mix (Amazon)	134		79.98
100-1605-7733	U.S. BANK	SC Coffee Sleeve Storage Dispenser (Amazon)	134		16.41
100-1605-7733	U.S. BANK	SC Netflix	137		19.74
100-1605-7733	MANUEL ROBLES	SC Turkey Carving	211409		125.00
100-1605-7733	DUARTE RECREATION PETTY CASH	SC Halloween Event Napkins	211370		9.84
100-1605-7733	DUARTE RECREATION PETTY CASH	SC Special Event Supplies	211370		4.65
100-1605-7733	DUARTE RECREATION PETTY CASH	SC Halloween Event Candy	211370		23.48
100-1605-7733	DUARTE RECREATION PETTY CASH	SC Halloween Contest Winner Prize	211370		50.00
100-1605-7733	DUARTE PETTY CASH/BINGO PRIZE	SC Bingo Prize Money	211368		100.00
100-1605-7733	SOUTHEAST CONSTRUCTION PROD	SC Chalk and Softball	211338		17.08
100-1605-7733	STAPLES ADVANTAGE	Office Supplies	211339		36.19
100-1605-7733	STAPLES ADVANTAGE	SC Price Tags	211339		19.91
100-1605-7733	STAPLES ADVANTAGE	Office Supplies	211419		34.13
100-1605-7733	RALPHS GROCERY COMPANY	SC Thanksgiving Potluck	211403		397.16
100-1605-7735	SMART & FINAL	Teen Center/Amazing Race	132		83.38
100-1605-7735	U.S. BANK	SC Reading Club Lights/Batteries (Amazon)	134		22.29
100-1605-7735	U.S. BANK	TC Audio Block Rocker/Powered Speaker (Amazon)	134		175.19
100-1605-7735	U.S. BANK	TC Men's Jogger Sweatpants (Amazon)	134		20.75
100-1605-7735	MAYRA RAMOS DE BELTRAN	TC Art Class Materials	211336		131.11
100-1605-7735	SMART & FINAL	TC Snack Bar/Unity March Supplies	132		333.52
100-1605-7735	STAPLES ADVANTAGE	TC Office Supplies	211339		171.95
100-1605-7735	ACE BILLIARD SERVICE	TC Pool Tables Re-Felting	211345		570.00
100-1605-7736	ALEJANDRO FUENTES	Instructor Fee-Circus Gymnastics	211374		519.75
100-1605-7736	MARIE CATHEY ROSS	Instructor Fee-Kids Can Cook	211410		280.00
100-1605-7737	U.S. BANK	Oasis Camel Dairy Tour 3/13/2019	134		466.40
100-1605-7737	HUNTINGTON HARBOUR PHILHAR	SC Cruise of Lights on 12/20/2018	211332		945.00
100-1605-7738	U.S. BANK	TC Knott's Berry Farm Tickets 10/26/18	134		2,171.52
100-1605-7739	THE SAUCE CREATIVE SERVICES CO	Picnic Flyer	211337		473.00
100-1605-7739	THE SAUCE CREATIVE SERVICES CO	Free Library Fee	211337		363.50
100-1605-7739	THE SAUCE CREATIVE SERVICES CO	Community Events Flyer Fee	211337		363.50
100-1605-7741	U.S. BANK	Cell Phone Holder (Amazon)	134		3.84
100-1605-7741	U.S. BANK	Volleyballs (Amazon)	134		267.68
100-1605-7741	U.S. BANK	TC Amazing Race Supplies (Amazon)	134		61.21
100-1605-7741	U.S. BANK	Nerf Game Supplies (Amazon)	134		60.72
100-1605-7744	DYLAN FELICIANO	Teen Nutrition Council	211373		100.00
100-1605-7744	OLGALIVIER GARCIA	Teen Nutrition Council	211376		100.00
100-1605-7744	DALYLAH SANDOVAL	Teen Nutrition Council	211413		100.00
100-1605-7744	ALEXANDRA TAPIA	Teen Nutrition Council	211421		100.00
100-1605-7744	ARANZASU CABALLERO	Teen Nutrition Council	211351		100.00
100-1605-7744	LUIS PEREZ	Teen Nutrition Council	211400		100.00

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Payment Dates: 11/14/2018 - 11/27/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
100-1605-7980	U.S. BANK	Staff Birthday Cards/Notes Planner (Target)	134		32.44
100-1605-7980	MULTICARD	FC Membership Cards	211395		215.02
100-1610-7616	CALIBER COMMERCIAL POOL SERVI	Competition Pool Chemical Loop Pump Repair	211353		995.42
100-1610-7616	POOL & ELECTRICAL PRODUCTS IN	Leaf Master Pool Device	211401		50.05
100-1610-7617	FULLER ENGINEERING INC	Pool Chemicals	211328		228.58
100-1610-7617	FULLER ENGINEERING INC	Pool Chemicals	211328		57.60
100-1610-7617	POOL & ELECTRICAL PRODUCTS IN	Pool Chemicals	211401		144.30
100-1610-7618	MITY-LITE INC	(2) Rectangle Tables	211393		481.99
100-1610-7618	SMART & FINAL	Coffee Supplies	132		70.86
100-1610-7618	HOME DEPOT CREDIT SERVICES	Building Maintenance Supplies	211331		65.89
100-1610-7618	SMART & FINAL	SC Coffee Supplies	132		199.09
100-1610-7618	U.S. BANK	Keurig Coffee Maker CC Conference Room	136		273.69
100-1610-7618	U.S. BANK	Coffee Pod Storage-CC Conf Rm (Amazon)	136		19.70
100-1610-7618	U.S. BANK	Ribbon Cutting Scissors (Amazon)	134		117.50
100-1610-7618	U.S. BANK	Bike Pump Metal Head/Hose (Dero Inc)	134		100.79
100-1610-7618	U.S. BANK	Table Cloth Cleaning (Natures Cleaners)	134		495.00
100-1610-7618	SMART & FINAL	Janitorial Supplies	132		12.03
100-1610-7618	SMART & FINAL	Council Water	132		24.47
100-1610-7618	HOME DEPOT CREDIT SERVICES	Building Maintenance Supplies	211331		100.64
100-1610-7618	KULLY SUPPLY INC	Filtered Drinking Fountain	211382		1,044.60
100-1610-7618	MAINTEX INC	Janitorial Supplies	211388		47.72
100-1610-7618	MAINTEX INC	Janitorial Supplies	211388		23.86
100-1610-7618	MAINTEX INC	Janitorial Supplies	211334		297.33
100-1610-7618	MAINTEX INC	Janitorial Supplies	211388		289.21
100-1610-7618	MAINTEX INC	Building Supplies	211334		47.72
100-1610-7618	MAINTEX INC	Janitorial Supplies	211334		47.72
100-1610-7618	MAINTEX INC	Supplies	211334		411.78
100-1610-7618	MAINTEX INC	Janitorial Supplies	211334		47.72
100-1610-7618	MAINTEX INC	Janitorial Supplies	211388		504.51
100-1610-7618	MAINTEX INC	Janitorial Supplies	211388		73.28
100-1610-7618	MAINTEX INC	Janitorial Supplies	211388		36.45
100-1610-7618	MAINTEX INC	Janitorial Supplies	211388		247.53
100-1610-7618	GRAINGER	Valve, Tape Measure, Timer	211379		386.05
100-1610-7618	GRAINGER	(12) Metal Halide Lamps	211379		37.22
100-1610-7636	CINTAS CORPORATION #693	Facility Maint Uniforms	211361		427.72
100-1610-7650	CITY OF MONROVIA	Field Services Fuel Sept 2018	211394		62.48
100-1610-7650	HUNTINGTON & DUARTE INC	Vehicle 6 Fuel	211335		350.00
100-1610-7652	MARCUS BANKS	TC BBQ Receptacle	211349		250.00
100-1610-7652	MARCUS BANKS	FS Office Circuit Extension	211349		125.00
100-1610-7652	MARCUS BANKS	CH Electrical Repair (Floor Vault)	211349		675.00
100-1610-7652	CHARLIE'S FENCE CO	Duarte Park Hockey Rink Fence Reapir	211359		42.00
100-1610-7652	POST ALARM SYSTEMS	South Yard Alarm Monitoring 12/1/18 - 12/31/18	211402		1,084.65
100-1610-7652	UNITED SITE SERVICES	Encanto Pk Restroom Remodel 10/17/18-11/13/18	211424		101.23
100-1610-7652	UNITED SITE SERVICES	Sports Park Toilet Rent 10/9/18 - 11/5/18	211424		38.00
100-1610-7652	DEWEY PEST CONTROL INC	Pest Control Services 11/2018	211367		4,700.00
100-1610-7652	EXPLORE CUSTOM CABINETS	Construct (2) Dias Wings/Refurbish Existing Dias	211327		600.00
100-1610-7652	JOE'S JANITORIAL SERVICE	Floor Stripped/Waxed-Royal Oaks Park Bldg	211381		200.00
100-1610-7652	JOE'S JANITORIAL SERVICE	Floor Stripped/Waxed-Community Center	211381		465.22
100-1610-7652	THE HARDWOOD FLOOR GUY	Carpet Stock for City Hall (spare)	211330		230.00
100-1610-7652	ALBERTOS PLUMBING	Beardslee Park Plumbing Repair	211346		1,000.00
100-1610-7652	ALBERTOS PLUMBING	TC Plumbing Repairs	211346		250.00
100-1610-7652	ALBERTOS PLUMBING	SC Plumbing Repairs	211346		207.00
100-1610-7652	DEWEY PEST CONTROL INC	Pest Control Services 11/2018	211367		1,001.50
100-1610-7652	ACCO ENGINEERED SYSTEMS	TC Maint Agreement October 2018	211344		183.08
100-1610-7652	SIMON EQUIPMENT RENTALS	Scissor Lift Rental	211417		1,422.00
100-1610-8100	ALCO BUILDING SOLUTIONS INC	EWO #01 Additional Circuits	211347		9,950.00
100-1610-8100	ALCO BUILDING SOLUTIONS INC	CC Conference Room Wall Improvements	211347		4,003.23
100-1610-8100	LA-Z-BOY FURNITURE GALLERIES	Senior Ctr Lounge Furniture	211384		500.00
100-1805-7610	U.S. BANK	Kristen Petersen 2019 City Mgr's Conference	137		82.89
100-1805-7614	U.S. BANK	Coffee and Coffee Supplies (Amazon)	137		124.82
100-1805-7614	STAPLES ADVANTAGE	Chairmat	211419		

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Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
100-1805-7614	OFFICE SOLUTIONS INC	Footrests (2)	211398		40.27
100-1805-7614	OFFICE SOLUTIONS INC	HP Toner and Ink for Inkjet printer	211398		404.43
100-1805-7980	U.S. BANK	Microsoft 365 9/27/18 - 10/26/18	137		12.00
100-1810-7614	STAPLES ADVANTAGE	HR Printer Toner	211419		116.06
100-1810-7660	CALIFORNIA STATE DEPARTMENT O	Fingerprinting 10/2018	211355		30.00
100-1810-7660	CMC LIVSCAN & NOTARY SERVICE	Livscan Services 10/2018	211362		138.00
100-1810-7673	BDA MORNEAU SHEPELL	Drug and/or Alcohol Testing 7/1/18 - 9/30/18	211350		55.00
100-1815-7632	U.S. BANK	Adobe AcroPro-CMD	137		14.99
100-1815-7632	U.S. BANK	Adobe Creative Cloud	137		314.91
100-1815-7821	THE TECHNOLOGY DEPOT INC	VITA Mgmt 12/2018	211422		553.00
100-1815-7830	U.S. BANK	SC Elevator 911-Vonage	137		18.68
100-1815-7830	THE TECHNOLOGY DEPOT INC	Telephone Cloud Services 12/2018	211422		564.00
100-1815-7965	MAXTREME INC	IT Helpdesk 10/2018	138		8,700.00
100-1815-7980	MAXTREME INC	Crash Plan Recovery 10/2018	138		200.00
100-1815-7980	THE TECHNOLOGY DEPOT INC	CC Office Remodel	211340		150.00
100-1825-7613	GRAND PRINTING INC	Letterhead	211329		321.72
100-1825-7613	GRAND PRINTING INC	Business Cards (Kang/Diamond)	211329		324.53
100-1825-7614	STAPLES ADVANTAGE	Balance on Inv. 3375572006	211419		26.29
100-1825-7626	FEDEX	Document Delivery	211372		96.49
100-1825-7630	CANON FINANCIAL SERVICES INC	Copier Lease-PS 11/1/18 - 11/30/18	211356		399.67
100-1825-7630	CANON FINANCIAL SERVICES INC	Copier Lease-CH (2)/SC/TC 11/1/18 - 11/30/18	211356		869.55
100-1825-7631	CANON FINANCIAL SERVICES INC	Copier Maint-PS 8/31/18 - 10/31/18	211356		142.97
100-1825-7688	TOWN SQUARE PUBLICATIONS LLC	Used Oil Ad	211423	201901-Used Oil Recycling Grant Expense	1,487.50
100-1825-7747	FAITH VIRAMONTES	Recycling Worker	211426	201803-Beverage Container Recycle Progr	66.25
100-1825-7747	OLGALIVIER GARCIA	Recycling Worker	211375	201803-Beverage Container Recycle Progr	106.00
100-1825-7747	YESENIA CHAVEZ	Recycling Worker	211360	201803-Beverage Container Recycle Progr	39.75
100-1825-7747	KALINA JENKINS GITTENS	Recycling Worker	211378	201803-Beverage Container Recycle Progr	59.00
100-1825-7747	ANDY MIRANDA	Recycling Worker	211392	201803-Beverage Container Recycle Progr	66.25
100-1825-7747	LUIS PEREZ	Recycling Worker	211400	201803-Beverage Container Recycle Progr	66.25
100-2120	MARIA LOPEZ	CC Rent Deposit Refund	211385		500.00
100-2120	XRM MEDIA PAPER TIGER LLC	Film Deposit Refund	211428		500.00
100-2121	VIGILANT SOLUTIONS LLC	Covert Cube Fixed Unit/Reaper Camera/Comm Unit	211425		15,658.51
100-2123	U.S. BANK	Special Event Insurance 7/1/18 - 9/30/18	137		729.00
100-4201	BILLY MARTIN	Overpayment on Building Permit (Revised)	211390		821.40
100-4901	BILLY MARTIN	Overpayment on Building Permit (Revised)	211390		698.20
Fund 100 - GENERAL FUND Total:					538,077.30

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Payment Dates: 11/14/2018 - 11/27/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
Fund: 240 - LIGHTING AND LANDSCAPE DISTRICT FUND					
240-2405-7890	COUNTY OF LOS ANGELES DEPART	Traffic Signal Maintenance, September 2018	211363		4,252.63
240-2410-7888	SITEONE LANDSCAPE SUPPLY HOLD	Encanto Park Irrigation Repairs	211418		98.74
Fund 240 - LIGHTING AND LANDSCAPE DISTRICT FUND Total:					4,351.37

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Payment Dates: 11/14/2018 - 11/27/2018

Account Number	Vendor Name	Description (Item)
Fund: 290 - SUPPLEMENTAL LAW ENFORCEMENT FUND		
290-2905-7781	LOS ANGELES COUNTY SHERIFF'S D	Sheriff Contract 9/2018

Payment No	Project Key	Amount
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211386		15,000.00
Fund 290 - SUPPLEMENTAL LAW ENFORCEMENT FUND Total:		15,000.00

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Payment Dates: 11/14/2018 - 11/27/2018

Account Number Vendor Name

Description (Item)

Payment No Project Key

Amount

Fund: 420 - QUIMBY ACT FUND

420-4205-8041 U.S. BANK

Citrus Labels-Orange Blossom Park (Ebay)

134

39.47

Fund 420 - QUIMBY ACT FUND Total:

39.47

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Payment Dates: 11/14/2018 - 11/27/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
Fund: 440 - PROPOSITION A TRANSIT FUND					
440-4405-7619	CITY OF MONROVIA	Transit Fuel Sept 2018	211394		7,240.82
440-4405-7619	AUTOZONE	Oil and Coolant for Bus	211348		75.50
440-4405-7620	CANYON TIRE SALES INC	Bus 103 Flat Tire Repair	211357		223.45
440-4405-7650	AUTOZONE	Vehicle Supplies	211348		33.66
440-4405-7887	AUTOZONE	Veh/Bus Supplies and Parts	211348		145.51
440-4405-7887	NAVARRO'S TOWING SERVICE	Bus 103 Towing	211396		225.00
440-4405-7887	PAT'S TIRE SERVICE	Veh 28 Tire Check	211399		25.00
440-4405-7887	LA MOBO BUS SERVICE INC	Bus 103 Road Service (Air Leak Repair)	211383		216.94
440-4405-7887	LA MOBO BUS SERVICE INC	Bus 102 DPF Fuel Injector Assembly	211383		1,030.66
440-4405-7887	LA MOBO BUS SERVICE INC	Bus 103 PM Srvc/AC Screen Filters	211383		368.86
440-4405-7887	LA MOBO BUS SERVICE INC	Bus 101 PM Service	211383		296.86
440-4405-7887	LA MOBO BUS SERVICE INC	Veh 28 AC Blower Motor/Rear Brake Light Bulb	211383		516.01
440-4405-7887	LA MOBO BUS SERVICE INC	Bus 103 Horn Switch/Turn Signal Assembly	211383		363.74
440-4405-7887	LA MOBO BUS SERVICE INC	Bus 103 Fan Belt Repair	211383		80.00
440-4405-7887	LA MOBO BUS SERVICE INC	Bus 103 PM Srvc/Belt Tensioner/Light Ballast	211383		1,178.26
440-4405-7887	LA MOBO BUS SERVICE INC	Bus 104 PM Srvc/AC Screen Filters/Fuel Filter	211383		621.71
440-4405-7887	LA MOBO BUS SERVICE INC	Veh 28 PM Srvc/Battery/Air Filter	211383		468.35
440-4405-7887	NISSAN OF DUARTE	Veh 33 Pm Srvc/Tire Rotation	211397		64.90
Fund 440 - PROPOSITION A TRANSIT FUND Total:					13,175.23

Council Warrant Register by Account**Payment Dates: 11/14/2018 - 11/27/2018**

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
Fund: 470 - MEASURE R LR TRANSIT FUND					
470-4705-8060	RKA CONSULTING GROUP	Las Lomas Sidewalk	211408		6,156.25
Fund 470 - MEASURE R LR TRANSIT FUND Total:					6,156.25
Grand Total:					576,799.62

Report Summary**Fund Summary**

Fund	Payment Amount
100 - GENERAL FUND	538,077.30
240 - LIGHTING AND LANDSCAPE DISTRICT FUND	4,351.37
290 - SUPPLEMENTAL LAW ENFORCEMENT FUND	15,000.00
420 - QUIMBY ACT FUND	39.47
440 - PROPOSITION A TRANSIT FUND	13,175.23
470 - MEASURE R LR TRANSIT FUND	6,156.25
Grand Total:	576,799.62

Account Summary

Account Number	Account Name	Payment Amount
100-1005-7642	Travel & Exp - Finlay	420.00
100-1010-7610	Travel, Mtgs & Conf	1,221.38
100-1010-7614	Office Supplies	54.10
100-1010-7650	Vehicle Maintenance	193.49
100-1010-7651	Election Services	12.29
100-1010-7670	Legal Notices	2,638.00
100-1010-7980	Other Expenses	418.30
100-1020-7712	Community Information	186.55
100-1020-7716	Special Community Even	1,786.81
100-1020-7722	City Web Site	2,777.91
100-1020-7726	Council Cablecasting	34.99
100-1020-7980	Other Expenses	1,054.49
100-1205-7610	Travel, Mtgs & Conf	1,288.79
100-1205-7612	Publications and Dues	460.00
100-1205-7614	Office Supplies	155.72
100-1205-7615	Emergency Supplies	48.46
100-1205-7650	Vehicle Maintenance	10,111.77
100-1205-7779	Youth Programs	100.00
100-1205-7780	Animal Control	316.80
100-1205-7781	Contract Law Enforceme	337,629.45
100-1205-7980	Other Expenses	2,517.48
100-1205-8100	Other Capital Acquisitio	15,658.51
100-1405-7610	Travel, Mtgs & Conf	377.85
100-1405-7612	Publications and Dues	10.23
100-1405-7613	Duplications And Photos	85.65
100-1405-7614	Office Supplies	467.88
100-1405-7650	Vehicle Maintenance	58.11
100-1405-7800	Building Department Ser	51,309.40
100-1405-7975	Economic Development	7,608.75
100-1405-7980	Other Expenses	1,235.30
100-1410-7612	Publications and Dues	60.00
100-1410-7636	Uniforms	827.78
100-1410-7650	Vehicle Maintenance	2,036.17
100-1410-7656	Emergency Generator	7,887.00
100-1410-7887	Repairs & Replacements	509.55
100-1605-7610	Travel, Mtgs & Conf	1,198.51
100-1605-7614	Office Supplies	431.42
100-1605-7650	Vehicle Maintenance	417.84
100-1605-7693	Youth Council	153.30
100-1605-7728	Americorp's VIP Progra	3,102.05
100-1605-7730	Special Events	2,278.03
100-1605-7733	Senior Center	1,258.63
100-1605-7735	Teen Center	1,508.19
100-1605-7736	Recreation Classes	799.75
100-1605-7737	Adult Excursions	1,411.40
100-1605-7738	Teen Excursions	2,171.52
100-1605-7739	Publicity	1,200.00

Account Summary

Account Number	Account Name	Payment Amount
100-1605-7741	Sports/Playground Progr	393.45
100-1605-7744	Nutrition Program Costs	600.00
100-1605-7980	Other Expenses	247.46
100-1610-7616	Pool Supplies	1,045.47
100-1610-7617	Pool Chemicals	430.48
100-1610-7618	Building Supplies	5,467.13
100-1610-7636	Uniforms	37.22
100-1610-7650	Vehicle Maintenance	490.20
100-1610-7652	Building Maint Services	11,502.68
100-1610-8100	Other Capital Improvem	15,375.23
100-1805-7610	Travel, Mtgs & Conf	500.00
100-1805-7614	Office Supplies	652.41
100-1805-7980	Other Expenses	12.00
100-1810-7614	Office Supplies	116.06
100-1810-7660	Other Services	168.00
100-1810-7673	Physical Exams	55.00
100-1815-7632	Software Maintenance	329.90
100-1815-7821	Personal Computer Supp	553.00
100-1815-7830	Telephones	582.68
100-1815-7965	Professional Services	8,700.00
100-1815-7980	Other Expenses	350.00
100-1825-7613	Duplications And Photos	646.25
100-1825-7614	Office Supplies	26.29
100-1825-7626	Postage	96.49
100-1825-7630	Equipment Lease	1,269.22
100-1825-7631	Equipment Maintenance	142.97
100-1825-7688	Oil Recycling Grant	1,487.50
100-1825-7747	Beverage Cont Recycling	403.50
100-2120	Refundable Deposits	1,000.00
100-2121	Pass Through Deposits	15,658.51
100-2123	Special Event Insurance (	729.00
100-4201	Building Permits	821.40
100-4901	Plan Check Fees	698.20
240-2405-7890	Repairs-Traffic Signal	4,252.63
240-2410-7888	Repairs-Citywide	98.74
290-2905-7781	Contract Law Enforceme	15,000.00
420-4205-8041	Park Improvements (Cap	39.47
440-4405-7619	Fuel And Oil	7,316.32
440-4405-7620	Tires	223.45
440-4405-7650	Vehicle Maintenance	33.66
440-4405-7887	Repairs & Replacements	5,601.80
470-4705-8060	Sidewalk/Concrete Repa	6,156.25
Grand Total:		576,799.62

Project Account Summary

Project Account Key	Payment Amount
None	569,524.04
201803-Beverage Container Recycle Program	403.50
201901-Used Oil Recycling Grant Expense	1,487.50
201904-Other Exp-Tobacco Grant	2,282.53
201909- Duarte's Promise - America's Promise Exp	3,102.05
Grand Total:	576,799.62

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUARTE,
CALIFORNIA, CASTING ITS TWO VOTES FOR COUNCILMEMBER
_____ TO REPRESENT CITIES WITHOUT PRESCRIPTIVE
PUMPING RIGHTS ON THE BOARD OF THE SAN GABRIEL BASIN
WATER QUALITY AUTHORITY**

WHEREAS, on September 22, 1992, Senate Bill 1679 was signed into law by Governor Pete Wilson authorizing the creation of the San Gabriel Basin Water Quality Authority; and

WHEREAS, the Board of the San Gabriel Basin Water Quality Authority is composed of seven members, with three appointed members from each of the three municipal water districts, one elected City Council person from cities in the San Gabriel Basin with prescriptive pumping rights, and one elected City Council person from cities in the San Gabriel Basin without prescriptive pumping rights, and two appointed members representing water producers; and

WHEREAS, the City of Duarte is one of the cities in the San Gabriel Basin without prescriptive pumping rights; and

WHEREAS, the City of Duarte may cast its two votes for a representative by resolution delivered to the San Gabriel Basin Water Quality Authority no later than December 18, 2018, at 12:00 p.m.;

NOW, THEREFORE, the City Council of the City of Duarte, California, hereby casts its full two votes for Councilmember _____ as the representative for cities in the San Gabriel Basin without prescriptive pumping rights.

PASSED, APPROVED, and ADOPTED this 27th day of November, 2018.

Mayor John Fasana

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF DUARTE)

I, Marla Akana, City Clerk of the City of Duarte, County of Los Angeles, State of California, hereby attest to the above signature and certify that Resolution No. 18-44 was adopted by the City Council of said City of Duarte at a regular meeting of said Council held on the 27th day of November, 2018, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

City Clerk Marla Akana
City of Duarte, California



San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

RECEIVED

NOV -5 2018

CITY OF DUARTE

October 30, 2018

RE: ELECTION FOR WQA BOARD MEMBER AND ALTERNATE REPRESENTING CITIES WITHOUT WATER PUMPING RIGHTS

Dear City Manager:

The nomination period for the election of the WQA board member and alternate representing cities without water pumping rights was closed on October 19, 2018 at 5:00 p.m. Enclosed is an election ballot, a sample resolution, a list of nominees, and a list of cities without pumping rights and the number of votes each is entitled.

Each city may cast their votes for only **one** of the listed nominees in the form of a resolution. **The resolution must be received at the above address by December 18, 2018 at 12:00 p.m. via hand delivery, certified mail, FedEx, or UPS WITH SIGNATURE REQUIRED.**

ANY RESOLUTIONS THAT ARE RECEIVED AFTER 12:00 P.M. ON DECEMBER 18, 2018 WILL NOT BE ACCEPTED.

Our office hours are Monday through Friday 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 5:00 p.m. Votes will be officially counted during the Water Quality Authority's regular meeting on December 19, 2018 at 12:00 p.m.

Each city has one vote for each 10,000 residents or majority thereof, as determined by the 2010 U.S. census data. The enclosed ballot indicates the number of votes your city may cast. Please note that a city must cast all of their votes to only one candidate and cannot split their votes. Please also note that a city is not limited to voting for its own city council members and that a city may vote in an election whether or not it nominated a candidate.

If you should have any questions, please contact me at (626) 338-5555 or by email at Stephanie@wqa.com

Sincerely,

Stephanie Moreno
San Gabriel Basin Water Quality Authority
Stephanie@wqa.com
Enclosures

BALLOT

ELECTION OF CITY MEMBERS AND ALTERNATES FROM
CITIES WITHOUT PUMPING RIGHTS
TO THE BOARD OF THE SAN GABRIEL BASIN WATER QUALITY AUTHORITY
PURSUANT TO SB 1679

CITY: DUARTE

NUMBER OF VOTES TO BE CAST: 2

TO THE CITY COUNCIL:

The following candidates have been duly nominated by qualified cities for the office of city member and alternate of the Board of the San Gabriel Basin Water Quality Authority ("the Authority") from cities without pumping rights.

The election of the city member and alternate will take place at an adjourned meeting of the Board of the Authority set for December 19, 2018, at 12:00 p.m., at 1720 W. Cameron Ave., Suite 100, West Covina, California.

Your city may cast its votes for one candidate by resolution of the city council. The number of votes to which your city is entitled, based upon population, is set forth above.

The resolution of the city council casting its votes must be delivered by certified mail, FedEx, UPS with signature required or hand delivered to the Authority **by December 18, 2018 at 12:00 p.m. or will not be counted.**

This Ballot may accompany the resolution of the city council casting its votes for city member and alternate from cities without pumping rights.

October 19, 2018

**ELECTION FOR WQA BOARD MEMBER
AND ALTERNATE MEMBER
REPRESENTING CITIES WITHOUT
PRESCRIPTIVE PUMPING RIGHTS**

LIST OF NOMINATIONS

(In the order in which they were received)

Name

Nominated by

Margaret Clark
City of Rosemead

City of Rosemead
City of San Dimas
City of La Verne
City of Bradbury
City of Temple City
City of Sierra Madre

Juli Costanzo
City San Gabriel

City of San Gabriel

Valerie Munoz
City of La Puente

City of South El Monte
City of La Puente

Cities without Pumping Rights

2010 U.S. Census Data

City	2010 Population	# of Votes
Baldwin Park	75,390	8
Bradbury	1,048	1
Duarte	21,321	2
La Puente	39,816	4
La Verne	31,063	3
Rosemead	53,764	5
San Dimas	33,371	3
San Gabriel	39,718	4
San Marino	13,147	1
Sierra Madre	10,917	1
South El Monte	20,116	2
Temple City	35,558	4
West Covina	106,098	11
Total votes		49

SB 1679, Article 5. Sec. 505 (a)

Each City has one vote for each 10,000 residents or majority fraction thereof, as determined by the most recent U. S. decennial census data.

MEMORANDUM

TO: Darrell J. George, City Manager

FROM: Kristen Petersen, Assistant City Manager

DATE: November 19, 2018

SUBJECT: Resolution Approving Street Vendor Permit Fee

Background

Governor Brown signed Senate Bill (“SB”) 946 into law, which regulates sidewalk vendors throughout the state including within the City of Duarte. The City Council adopted Ordinance NO. 887 on November 13, 2018, which sets reasonable restrictions on sidewalk vending, including the requirement to apply for and receive a permit. As part of this application, staff will be collecting information, including; the name, phone number, address and California Driver’s License or State Identification, for every vendor that will be operating a vending receptacle. We will also be gathering information on the location and product that the vendor will be selling. We will be collecting copies of seller’s permits and health permits when required. The permit will be effective for 12 months from the date it is received and it will need to be displayed on the vendor receptacle at all times. The badge that is issued to each vendor will include a picture and will be worn by the respective vendor during working hours.

Attached please find the Service Fee Worksheet that was used to calculate the cost of services related to issuing a Sidewalk Vendor Permit. Based on the calculation, the recommended fee is \$250, plus \$10 for each vendor badge. The fee will become effective 30 days after adoption of the resolution.

Recommendation

It is recommended that the City Council approve Resolution 18-R-45 and approve the Street Vendor Permit Fee of \$250.

CITY OF DUARTE - SERVICE CHARGE WORKSHEET

SERVICE CHARGE TITLE: Sidewalk Vendor Permit		DEPARTMENT: Administrative Services		DATE: 2018/19	
SERVICE DESCRIPTION: Sidewalk vendor permit mandated by D.M.C. 9.60.020.					
PERSONNEL COSTS:					
POSITIONS		HOURLY RATE	HRS REQ'D	UNIT COST	
Accounting Specialist		\$44.06	1.25	\$55.08	
Administrative Secretary		\$40.82	0.75	\$30.62	
Associate Planner		\$60.44	0.5	\$30.22	
Public Safety Manager		\$66.18	0.25	\$16.55	
MATERIALS, SUPPLIES, & MISC. COSTS:					
DESCRIPTION	PURCH. COST	VOLUME	COST	USAGE	UNIT COST
Regular Laser Print paper, Letter			\$0.09	3	0.27
Badge	\$27.55	25	\$1.10	1	1.10
EQUIPMENT USAGE COST:					
DESCRIPTION	PURCH. COST	LIFE	COST	USAGE	UNIT COST
SUMMARY:					
DIRECT COST	INDIRECT RATE	TOTAL COST	PRIOR FEE	REC. FEE	PERCENT
\$133.83	87.1%	\$ 250.39		\$250.00 \$10/badge	99.8%
SUBSIDY RATIONALE:					

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF DUARTE, CALIFORNIA, APPROVING A
STREET VENDOR PERMIT FEE**

WHEREAS, California Governor Edmund Gerald Brown signed Senate Bill ("SB") 946 into law, which regulates sidewalk vendors throughout the State, including within the City of Duarte ("City"); and

WHEREAS, the City Council adopted Ordinance No. 887 on November 13, 2018, and it became effective immediately in order to comply with SB 946; and

WHEREAS, Section 6 of the Ordinance, in reference to Chapter 9.060.020 (b) of the Duarte Municipal Code, provides as follows:

"No person, either for himself/herself or any other person, shall engage in any sidewalk vendor activities within the City without first applying for and receiving a permit from the Finance Director, or his or her designee, under this Chapter. The applicable fee for the permit shall be as set by resolution of the City Council;" and

WHEREAS, an analysis of the labor, material, and equipment costs of collecting the required application information and providing a sidewalk vendor permit has been prepared by City staff; and

WHEREAS, the City Council is proposing that the fee be set at Two Hundred and Fifty Dollars (\$250);

NOW, THEREFORE, the City Council of the City of Duarte does hereby resolve as follows:

SECTION 1: The foregoing Recitals are true and correct and are incorporated herein.

SECTION 2: The City Council finds and determines, based on the information and evidence presented, that a fee of Two Hundred and Fifty Dollars (\$250) per year is an amount that does not exceed the costs associated with the purposes of Chapter 9.60 of the Duarte Municipal Code, including the costs associated with issuing the permit.

SECTION 3: The fee established by this Resolution may be repealed, amended, or modified by a subsequent resolution adopted by the City Council.

SECTION 4: The adoption of this Resolution approving fees and charges is statutorily exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to

Section 15273 of the State CEQA Guidelines (14 C.C.R. §15273), and is additionally and independently exempt from CEQA analysis pursuant to State CEQA Guidelines Section 15061(b)(3) [14 C.C.R. § 15061(b)(3)] which provides: “CEQA applies only to projects which have the potential for causing a significant effect on the environment Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.”

PASSED, APPROVED. AND ADOPTED this 27th day of November 2018.

Mayor John Fasana

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF DUARTE)

I, Marla Akana, City Clerk of the City of Duarte, County of Los Angeles, State of California, hereby attest to the above signature and certify that Resolution No. 18-45 was adopted by the City Council of said City of Duarte at a regular meeting of said Council held on the 27th day of November, 2018, by the following vote:

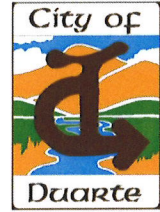
AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

City Clerk Marla Akana
City of Duarte, California

MEMORANDUM



TO: Honorable Mayor and City Council

FROM: Jason Golding, Planning Division Manager 

DATE: November 27, 2018

SUBJECT: **Authorize the City Manager to execute a Professional Services Agreement in the amount of \$25,000 with Emergency Planning Consultants for the preparation of an update to the Local Hazard Mitigation Plan; and related budget amendment**

Staff recommends that the City Council authorize the City Manager to execute a standard professional services agreement with Emergency Planning Consultants (EPC) to prepare an update to the City's Local Hazard Mitigation Plan in the amount of \$25,000.00. Staff also recommends the City Council approve a budget amendment in the amount of \$25,000.00.

The City prepared and adopted its first Local Hazard Mitigation Plan (LHMP) in 2004, in accordance with the Federal Disaster Mitigation Act of 2000. The LHMP was adopted and last updated in 2014, and contained new components, including a local brush clearance plan and focused geotechnical studies related to seismic zones within the City. We have been informed by CalOES that our LHMP is set to expire, and has requested FEMA approval of our plan update by November 2019.

The City has applied for a grant for the State Hazardous Mitigation Grant Program (HMGP) that would fund a new debris basin project at the northerly end of Melcanyon Road. The HMGP grant would pay for approximately 75% of the costs related to construction, acquisition and implementation of a debris basin and the necessary storm drain infrastructure to convey water to Fish Canyon Road. The remaining funds would be provided from a local match (Measure W), which was authorized by the City Council on August 28, 2018. To be eligible for this grant the City must have an up to date LHMP, so this project has multiple advantages for the City.

Preparation of a LHMP involves various planning tools, risk assessments, mapping, hazard analysis, community outreach, and coordination with a planning team made up of local public safety, planning and emergency planning professionals. The City requested a statement of qualifications from six firms familiar in the preparation of hazard mitigation plans. Three qualification packages were received. Staff performed a qualitative evaluation of information provided and EPC was not only the preferred selection but also the lowest cost.

Staff is recommending the selection of EPC. EPC specializes in the preparation of hazard mitigation plans, along with other related emergency management activities. Carolyn Harshman, President of EPC, has written over 100 FEMA-approved hazard mitigation plans and has worked with a variety of adjacent cities in the creation and updating of their LHMP's. Beyond their expertise in the subject matter and familiarity in working with local public safety and emergency planning professionals, EPC provided a proposal that: guarantees FEMA approval of the Plan, was the most affordable, and provided the most responsive work product that can be accomplished before the expiration of our current plan next year.

Attachments: Professional Service Agreement
EPC Qualification Package & Proposal

CITY OF DUARTE

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT FOR PROFESSIONAL SERVICES ("Agreement") is made and effective as of NOVEMBER 28, 2018 ("Effective Date"), by and between the CITY OF DUARTE, a municipal corporation ("City") and EMERGENCY PLANNING CONSULTANTS, ("Consultant"). City and Consultant may sometimes herein be referred to individually as a "party" and collectively as the "parties."

AGREEMENT:

In consideration of the mutual covenants and conditions set forth herein the foregoing Recitals which are incorporated herein and made a part hereof, and for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. TERM

This Agreement shall commence on the Effective Date and shall remain and continue in effect until December 31, 2019 year unless sooner terminated pursuant to the provisions of this Agreement. The term may be extended upon execution of a written amendment between the parties.

2. SERVICES AND PERFORMANCE

A. In compliance with all terms and conditions of this Agreement, the Consultant shall provide local hazard mitigation planning services and other emergency planning consulting services associated with the update of the City's Local Hazard Mitigation Plan, as further described in the Consultants Statement of Qualifications and Proposal dated October 28, 2018 and attached hereto as Exhibit "A" and incorporated herein by this reference, which services may be referred to herein as the "services" or "work" hereunder. In the event of any inconsistency between the terms of Consultant's proposal and this Agreement, the terms of this Agreement shall govern.

B. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that Consultant is a provider of first class work and services and Consultant is experienced in performing the work and services contemplated herein and, in light of such status and experience, Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder.

C. The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for City to enter into this Agreement. Therefore, without the prior written approval of City, which may be given or withheld at City's sole and absolute discretion, Consultant shall not (i) contract with any other entity to perform in whole or in part the services required hereunder, or (ii) transfer, assign, convey, or encumber (voluntarily or by operation of law) this Agreement.

D. Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

E. Consultant shall provide all services rendered hereunder in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction in effect at the time service is rendered. Each and every provision required by law to be included in this Agreement shall be deemed to be included, and this Agreement shall be read and enforced as though they were included.

3. MANAGEMENT

A. The City's Community Development Director shall represent City in all matters pursuant to the administration of this Agreement, review and approval of the services performed by Consultant. The City Manager, subject to the limitations set forth in Section 4, shall have the authority to enlarge the Scope of Services or increase the compensation due to Consultant.

B. Consultant communications with the City shall be routed through the Planning Division Manager.

C. Consultant's official representative in the administration of this Agreement shall be Carolyn J. Harshman, President, who shall have the authority to make all decisions for Consultant and bind Consultant to the terms of this Agreement.

4. COMPENSATION

A. City agrees to pay Consultant, in accordance with the payment rates and terms set forth in Exhibit "A" and incorporated herein by this reference. Subject to the City Manager's authority set forth in subparagraph (B) below, the total compensation paid to Consultant hereunder shall not exceed TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) ("Total Compensation") for the total term of this Agreement, unless otherwise authorized in advance and in writing by the City Manager.

B. Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement, which are in addition to those set forth herein, unless such additional services are authorized in advance by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's authorization is given. The City Manager may approve additional work up to but not exceeding twenty percent (25%) of the amount of this Agreement.

C. Consultant shall be paid on a monthly basis and shall submit monthly invoices/reports to City, within ten (10) days following the end of each month, showing actual services performed. Consultant shall be paid on the next regular council warrant after all required paperwork is submitted and accepted. If the City disputes whether Consultant has earned its fee or any portion, City shall give written notice to Consultant within thirty (30) days of receipt of Consultant's monthly report stating the basis for such dispute.

5. SUSPENSION OR TERMINATION OF AGREEMENT

A. City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving written notice upon Consultant. Upon receipt of said notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. In the event this Agreement is suspended or terminated pursuant to this subparagraph (a), Consultant shall submit a final report to the City pursuant to Section 4,

and Consultant shall be entitled to the pro rata portion of the fee earned to the date of termination. In the City's sole and absolute discretion, prior to effecting a suspension or termination pursuant to this subparagraph (a), the City may first serve upon the Consultant a written notice of the default specifying the default and the amount of time that Consultant shall have to cure, correct, or remedy the default. In the event that the Consultant fails to cure the default within the specified period of time, the City shall have the right to immediately terminate this Agreement pursuant to subparagraph (a). Notwithstanding any other provision of this Agreement to the contrary, City's termination of this Agreement pursuant to this subparagraph (a) shall not preclude or prejudice any other remedy to which City may be entitled in law or in equity.

B. Consultant may terminate this Agreement upon not less than thirty (30) days' prior written notice to the City.

6. RECORDS AND OWNERSHIP OF DOCUMENTS

A. Consultant shall maintain complete and accurate records with respect to costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to produce an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to examine and audit such books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of six (6) years after receipt of final payment.

B. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. Consultant shall provide such items to City promptly upon completion of the Agreement. Any use of such documents for other projects by the City shall be without liability to Consultant.

C. Any information gained by Consultant in the performance of this Agreement shall be considered confidential and such information and the reports, records, documents and other materials prepared by Consultant in the performance of services under this Agreement shall not be released publicly or to any other client of Consultant without the prior written approval of the City Manager.

7. INDEMNIFICATION

Consultant shall defend, indemnify and hold harmless the City from and against all damages and liability caused by the negligent actions or willful misconduct of the Consultant or its employees, agents, or representatives. Consultant shall not be responsible for any damages or liability to the extent caused by the negligence or willful misconduct of the City or any of its employees, agents, or representatives acting in an official capacity.

8. INSURANCE

Without limiting Consultant's indemnification obligations as set forth in this Agreement, the Consultant shall procure and maintain, at its sole cost and expense, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

A. Commercial General Liability insurance written on a per occurrence basis in an amount not less than \$1,000,000 per occurrence.

B. Business Auto Coverage written on a per accident basis in an amount not less than \$1,000,000 per accident. If Consultant or Consultant's employees use personal autos in connection with the performance of work under this Agreement, Consultant shall provide evidence of personal auto liability coverage for each such person.

C. If applicable, Worker's Compensation insurance providing statutory benefits as required by California law.

D. Professional Liability or Errors and Omissions Insurance designed to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate.

E. All of the insurance policies required hereunder, except the worker's compensation insurance, shall comply with the following requirements:

- (i) All insurance shall be written by insurers that are admitted and licensed to do business in the State of California and with A.M. Bests rating of B++ or better and a minimum financial size VII.
- (ii) The policies shall be endorsed to name the City and its officers, officials, employees, agents, and volunteers as additional insureds.
- (iii) All of Consultant's insurance: (i) shall contain no special limitations on the scope of protection afforded to the additional insureds; (ii) shall be primary insurance and any insurance or self-insurance maintained by the additional insureds or any of them shall be in excess of the Consultant's insurance and shall not contribute with it; (iii) shall be "occurrence" rather than "claims made" insurance except for professional liability; (iv) shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability; (v) shall prohibit Consultant from waiving the right of subrogation prior to a loss except for professional liability; and (vi) shall not contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured.
- (iv) The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change.

F. Consultant shall renew the required coverage annually as long as City or its employees or agents face an exposure from the Consultant's operations pursuant to this Agreement. This obligation shall survive the termination or expiration of this Agreement and shall not be effective until City executes a written statement to that effect.

G. No work or services under this Agreement shall commence until the Consultant has provided the City with Certificates of Insurance evidencing the above insurance coverages and said Certificates of Insurance are reasonably approved by the City. Certificates are to reflect that the insurer will provide 30 days written notice to City of any cancellation of coverage. In the event any of said policies of insurance are reduced in limits or cancelled for any reason, the Consultant shall, prior to the cancellation date, submit new evidence of insurance, in conformance with this Paragraph 8.

H. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this Agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.

I. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this Agreement. City assumes no obligation or liability by such notice, but has the right to monitor the handling of any such claim or claims if they are likely to involve City.

9. INDEPENDENT CONSULTANT

A. Consultant is and shall at all times remain as to the City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, officials, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents is in any manner officers, officials, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

B. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in this Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

10. NO UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City shall receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement.

11. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or has responsibilities with respect to the Agreement during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or

sub-agreement, or the proceeds thereof, for work to be performed in connection with the services performed under this Agreement.

12. COVENANT AGAINST DISCRIMINATION

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that in the performance of this Agreement there shall be no discrimination against or segregation of, any person or group of persons on account of any impermissible classification including, but not limited to, race, color, creed, religion, sex, marital status, sexual orientation, national origin, or ancestry.

13. NONLIABILITY OF CITY OFFICERS AND EMPLOYEES

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

14. NOTICES

Any notices which either party may desire to give or may be required to give to the other party under this Agreement must be in writing and may be given either by (a) personal service, or (b) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (c) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

If to City: City of Duarte
City Manager's Office
1600 Huntington Drive
Duarte, CA 91010

If to Consultant: Carolyn J. Harshman, CEM, President
Emergency Planning Consultants
3665 Ethan Allen Avenue
San Diego, CA 92117

15. GOVERNING LAW; ATTORNEY'S FEES; LITIGATION MATTERS

The internal laws of the State of California, without regard to principles of conflicts of laws, shall govern the interpretation of this Agreement. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding anything in this Agreement to the contrary, in no event shall Consultant be entitled to economic or consequential damages or to punitive damages. In the event of any litigation arising from or related to this Agreement, the prevailing party shall be entitled to recover all reasonable costs incurred, including staff time, court costs, attorney fees, expert witness fees, and other related expenses. The Municipal and Superior Court of the County of Los Angeles shall have exclusive jurisdiction over any litigation between the parties hereto concerning this Agreement. Service of process on City shall be made in the manner required by law for service on

a public entity. Service of process on Consultant shall be made in any manner permitted by law and shall be effective whether served inside or outside of California.

16. RIGHTS AND REMEDIES ARE CUMULATIVE; AND WAIVER

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

B. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

17. SEVERABILITY

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

18. INTERPRETATION; ENTIRE AGREEMENT

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect.

19. EXECUTION OF CONTRACT

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

20. EFFECTIVE DATE

The Effective Date of this Agreement shall be the date set next to the signature of the City Manager below, which date shall be inserted into the preamble of this Agreement.

[end –signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Agreement as of the Effective Date.

CITY OF DUARTE	CONSULTANT: Emergency Planning Consultants
By: _____ Darrell George, City Manager	By: _____ Carolyn J. Harshman, CEM, President
Date: _____	Date: _____
ATTEST: _____ Marla Akana, City Clerk	



October 28, 2018

The attached is in response to the RFQ from the City of Duarte to update the 2014 Local Hazard Mitigation Plan. Emergency Planning Consultants (EPC) has written more than 100 FEMA-approved hazard mitigation plans and maintains the outstanding qualifications required to update hazard information, facilitate a robust planning process, actively encourage public involvement, seek State of California and FEMA approval, and garner the adoption of the plan by the City Council.

EPC President Carolyn J. Harshman, CEM has followed the evolving legislation that resulted in the federal government's Disaster Mitigation Act of 2000 (DMA 2000). With a first career in city and regional planning, Ms. Harshman immediately sought out opportunities to prepare local hazard mitigation plans as soon as jurisdictions were aware of the requirements and entitlements associated with mitigation plans.

EPC prepares plans in compliance with the requirements of the federal government Disaster Mitigation Act of 2000 (DMA 2000), FEMA's Local Multi-Hazard Mitigation Planning Guidance published July 2008, the Local Mitigation Plan Review Guide published in October 2011, and the Local Mitigation Planning Handbook published March 2013. In light of the number of HMP written, EPC maintains a high level of expertise on the mitigation-related regulations and interpretation of the regulations by state and FEMA reviewers.

EPC President Carolyn J. Harshman, CEM will serve as the Principal Planner and Project Manager with support provided by Lead Research and Mapping Analyst Alex Fritzler (independent contractor).

This proposal is in effect for a period of one year from the date of submittal.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Carolyn J. Harshman'.

Carolyn J. Harshman, CEM
President
Emergency Planning Consultants
3665 Ethan Allen Avenue
San Diego, CA 92117
(858) 483-4626, office
(858) 922-6964, cell
epc@pacbell.net
www.carolynharshman.com



Statement of Qualifications

Emergency Planning Consultants offers a full range of emergency management professional consulting services including plans, training, and exercises to various forms of government. A complete listing of clients and services is included later in the **Statement of Qualifications** section.

Approved/Adopted Hazard Mitigation Plans Since 2014

Jurisdiction, Cost	Point of Contact	Date Range Project Initiation to Approval and Adoption
County of Los Angeles, \$150,000	Mr. Leslie Luke (323) 980-2269	11/2011-2/2014 (Note: 25 department-level meetings were added (without charge) to the contract to facilitate increased participation. Also, the County's project manager was in a serious accident which delayed the project by almost 12 months.)
Antelope Valley Transit, Authority, \$20,000	Mr. Norm Hickling (661) 729-2290	9/2014-9/2017 (note: project stopped mid-stream to develop a grant-funded functional exercise which was added to the contract)
City of Buena Park, \$65,000	Mr. Doug Brodowski (714) 562-3652	3/2015-11/2017
City of Long Beach \$30,000	Mr. Reggie Harrison (562) 570-9251	2/2013-3/2017 (note: months of internal delays from staffing changes and City's reorganization)
City of Montebello, \$25,000	Mr. Matthew Feske (323) 887-1200	9/2016-2/2018
City of Signal Hill, \$20,000	Mr. Richard Johnson (562) 985-7239	8/2016-1/2018
City of La Puente, \$15,000	Mr. John DiMario (626) 855-1517	3/2016-5/2018
Town of Yucca Valley, \$15,000	Ms. Jessica Rice (760) 369-7207 x227	11/2016-5/2018 (Note: timeline significantly decreased because of new streamlined review by Cal OES and constant support of Ms. Jessica Rice – Town's project manager.)
City of Santa Fe Springs, \$25,000	Mr. Darryl Pedigo (562) 462-1231	6/2017-7/2018 (Note: timeline significantly decreased because of new streamlined review by Cal OES and constant support of Mr. Darryl Pedigo – City's project manager.)

Jurisdiction, Cost	Point of Contact	Date Range Project Initiation to Approval and Adoption
City of Rosemead, \$18,000	Ms. Mandy Wong (626) 569-2168	8/2017-10/2018 (Note: timeline significantly decreased because of new streamlined review by Cal OES and constant support of Ms. Mandy Wong – City's project manager.)

Key Staff

The EPC Project Team has worked together on numerous hazard mitigations plans as well as other emergency management-related plans, training, and exercises. Following are introductions to the Team members.



Name: Carolyn J. Harshman, CEM

Education: Master of Public Administration

Professional Affiliations: International Association of Emergency Managers, California Emergency Services Association

Professional Licenses and Certifications: Certified Emergency Manager

Updating a Hazard Mitigation Plan requires subject matter expertise in the areas of emergency response planning, hazard mitigation planning, mapping, and land use planning. With backgrounds in both land use planning and emergency management, Ms. Harshman is the right fit for facilitating the planning project. Ms. Harshman will serve as

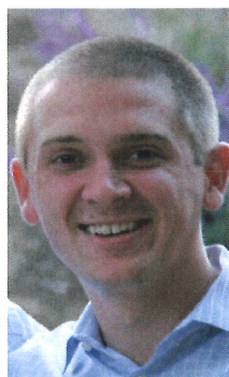
the Project Manager to the designee at the City and maintains responsibility for all aspects of the contracted services. Monthly status updates will be provided. Invoices will be submitted according to the terms of the contract. As Principal Planner, Ms. Harshman will lead the project by facilitating and participating at all Planning Team, community outreach, and public meetings. She will serve as the principal author and maintain quality control over the document at all times. Ms. Harshman will also manage relationships and contributions from EPC independent contractors, ensuring quality control and continuous improvement by conducting weekly meetings with the EPC Team.

It's important to note that prior to working in the field of emergency management, Ms. Harshman enjoyed a combined 20-year career as a city, regional, and redevelopment planner for the County of San Diego, City of San Diego, and Southeastern Economic Development Corporation. In her role as a land use planner Ms. Harshman prepared General Plan Amendments, Community Plans, Zoning Ordinance revisions, and conducted hundreds of community meetings. As a local government staff member for so many years, Carolyn is very familiar with the organization, roles, and responsibilities of government. Ms. Harshman began work in the field of emergency management in 1984 when she was hired as a hazard planner for the County of San Diego's Office of Emergency Services. There she updated the County's Emergency Operations Plan and also served as the Hazards Officer. Responding to requests from other jurisdictions to provide consulting services, Carolyn began part-time work as a consultant in 1986 writing Multi-Hazard Functional Plans and providing mandated trainings. In 1996, she ended her career with local government and established Emergency Planning Consultants.

Ms. Harshman has been a member of FEMA's Emergency Management Institute's Planning Advisory Board since 2005, involved in each update to the Emergency Planning Course (G235). Also, she

taught FEMA's pilot deliveries for the Comprehensive Preparedness Guide (CPG) 101 course. The revised CPG 101 regulations provide guidance on styles and content for emergency operations plans, placing emphasis on engaging the "whole community" – including those with access and functional needs, children, and those with household pets and service animals. Carolyn has completed and teaches FEMA Master Trainer Program courses as well as a variety of other courses at the Emergency Management Institute, California Specialized Training Institute, and as an adjunct instructor at a variety of educational facilities. Ms. Harshman holds a Master of Public Administration (MPA) degree from San Diego State University and is a Certified Emergency Manager (CEM), as conferred by the International Association of Emergency Managers.

Actively engaged in professional development, Ms. Harshman was in FEMA's Emergency Management Institute First Cadre of the National Emergency Management Executive Academy. Ms. Harshman is an active leader in the International Association of Emergency Managers, serving as Chair of the Conference Committee from 2006-2011, Chair of the Leadership Symposium from 2011-2013, Chair of the Membership & Marketing Committee from 2014-2016, and in her second term as President of IAEM- USA Region 9 (California, Arizona, Nevada, Hawaii, and U.S. Pacific Territories).



Name: Alex Fritzler

Education: Bachelor of Arts – Business Administration

Professional Affiliations: California Emergency Services Association

Alex Fritzler is an Independent Contractor serving as EPC's Lead Research and Mapping Analyst. He is responsible for all research, writing, technical, and mapping services support to the EPC Team. Alex provides hazard and data research, data analysis, word processing, graphics production, and other document preparation services. Alex has assisted with the preparation of more than thirty local government hazard mitigation plans since joining EPC in 2010.

Emergency Planning Consultants Client List	
	Scope of Work
Federal Government	
Federal Emergency Management Agency (FEMA)	Course design and deliveries for FEMA's Emergency Management Institute
National Disaster Preparedness Training Center (NDPTC-University of Hawaii)	Course design and deliveries of Advanced Disaster Recovery Course, Leveraging Tools for Conducting Damage Assessments, Coastal Community Resilience, Community Planning for Disaster Recovery
State Governments	
California	Office of Emergency Services: Multi-Hazard Functional Plan Template, California Specialized Training Institute: Course deliveries
Indiana	Comprehensive Emergency Management Plan (CEMP) Template, Facilitated completion of CEMP for 15 Indiana Counties

Missouri	HSEEP agro-terrorism functional exercise, HSEEP regional WMD exercises
New Hampshire	State Operations Plan, EOC Standard Operating Procedures
Hawaii	Department of Education: Grant writing - Readiness and Emergency Management for Schools Grant (2008), State Civil Defense: Course and exercise deliveries
City and County Governments	
City of Anaheim	Update Hazard Mitigation Plan
City of Bellflower	Hazard Mitigation, Grant Writing, Update Hazard Mitigation, Update General Plan Safety Element and Technical Background Report, Update Emergency Operations Plan
City of Bradbury	Hazard Mitigation Plan
City of Buena Park	Hazard Mitigation Plan, Update Emergency Operations Plan
City of Carlsbad	Emergency Operations Plan, EOC Trainings and Exercises, Full-Scale Active Shooter Exercise (multi-jurisdictional law enforcement event)
City of Carson	Hazard Mitigation Plan
City of Cerritos	Hazard Mitigation Plan
City of Chula Vista	Pre-Disaster Recovery Plan
City of Claremont	Hazard Mitigation Plan, Update Hazard Mitigation Plan, Continuity of Operations Plan
City of Compton	Hazard Mitigation Plan, Update Hazard Mitigation Plan
City of Covina	Hazard Mitigation Plan, Emergency Operations Plan, Update Hazard Mitigation Plan
City of El Monte	Hazard Mitigation Plan, Update Hazard Mitigation Plan
City of El Segundo	Hazard Mitigation Plan
City of Glendora	Hazard Mitigation Plan, SEMS EOC Course
City of Hawaiian Gardens	Hazard Mitigation Plan, Update Hazard Mitigation Plan
City of Hermosa Beach	Hazard Mitigation Plan, Emergency Operations Plan, EOC Trainings and Exercises, Update Emergency Operations Plan
City of Hesperia	EOC Trainings and Functional Exercise
City of Huntington Park	Hazard Mitigation Plan
City of Indio	Incident Command System 300 and 400 Training Courses, EOC Section-Specific Training
City of Irwindale	Update Hazard Mitigation Plan

City of La Habra Heights	Hazard Mitigation Plan
City of La Mirada	Hazard Mitigation Plan
City of La Puente	Update Hazard Mitigation Plan, Update Emergency Operations Plan
City of Lakewood	Update Emergency Operations Plan
City of Lomita	Update Hazard Mitigation Plan, Update Emergency Operations Plan
City of Long Beach	Hazard Mitigation Plan, Update Hazard Mitigation Plan, Update Emergency Operations Plan, Continuity of Operations Plan
City of Lynwood	Hazard Mitigation Plan
City of Manhattan Beach	Hazard Mitigation Plan, Emergency Operations Plan, EOC Training and Exercises
City of Palos Verdes Estates	Emergency Operations Plan, Continuity of Operations Plan, Training and Exercises
City of Rancho Cucamonga	Emergency Operations Plan, Continuity of Operations Plan, Continuity of Government Plan, EOC Training and Exercises
City of Rancho Palos Verdes	Multi-Jurisdictional Hazard Mitigation Plan, Emergency Operations Plan, EOC Trainings and Exercises, Update Multi-Jurisdictional Hazard Mitigation Plan, Continuity of Operations Plan
City of Rolling Hills	Hazard Mitigation Plan, Update Hazard Mitigation Plan
City of Rolling Hills Estates	Multi-Jurisdictional Hazard Mitigation Plan, Update Multi-Jurisdictional Hazard Mitigation Plan
City of Rosemead	Update Hazard Mitigation Plan
City of Santa Ana	Update Emergency Operations Plan
City of Santa Fe Springs	Hazard Mitigation Plan
City of Signal Hill	Hazard Mitigation Plan, Update Hazard Mitigation Plan, Continuity of Operations Plan
City of South El Monte	Hazard Mitigation Plan
City of South Gate	Hazard Mitigation Plan
City of Twentynine Palms	Update Hazard Mitigation Plan
City of Upland	Emergency Operations Plan, EOC Training and Exercises, EOC Design
City of Vernon	Hazard Mitigation Plan
City of Whittier	Hazard Mitigation Plan, Update Hazard Mitigation Plan, Update Hazard Mitigation Plan

County of San Bernardino	Exercise Evaluator, EOC Course deliveries, SEMS Introduction Online Course
County of San Diego	Multi-Hazard Functional Plan, Emergency Management Contracted Services
County of Los Angeles	Update Hazard Mitigation Plan, Emergency Management Contracted Services
Town of Yucca Valley	Hazard Mitigation Plan, Update Hazard Mitigation Plan
Educational Institutions	
Chula Vista Elementary School District	Hazard Mitigation Plan, District Emergency Operations Plan, Site Emergency Plans, Needs & Capabilities Assessment, District Hazard Analysis, Risk/Vulnerability Assessments, Site Exercises
Covina-Valley Unified School District	Hazard Mitigation Plan, District Hazard Analysis, Needs & Capability Assessment
East Whittier City Elementary School District	Hazard Mitigation Plan
El Camino Community College District	Comprehensive Emergency Management Program - Hazard Mitigation Plan, District Emergency Operations Plan, Site Emergency Plans, Needs & Capabilities Assessment, District Hazard Analysis, Risk/Vulnerability Assessments, Site Trainings and Exercises
El Segundo Unified School District	Hazard Mitigation Plan
Granite School District (Salt Lake City, Utah)	Hazard Mitigation Plan
Little Lake City Elementary School District	Hazard Mitigation Plan
Los Angeles Unified School District	Update Hazard Mitigation Plan
Los Nietos Elementary School District	Hazard Mitigation Plan
Morongo Unified School District	Hazard Mitigation Plan, Emergency Operations Plan, Site Assessments
Palomar Community College District	Comprehensive Emergency Management Program - District Emergency Operations Plan, Site Emergency Plans, EOC and Site Trainings and Exercises
Palos Verdes Peninsula Unified School District	Hazard Mitigation Plan, Update Hazard Mitigation Plan
San Diego Community College District	Comprehensive Emergency Management Program - Hazard Mitigation Plan, District Emergency Operations Plan, Site Emergency Plans, EOC and Site Trainings and Exercises, Risk/Vulnerability Assessments

San Diego Unified School District	Comprehensive Emergency Management Program - Hazard Mitigation Plan, District Emergency Operations Plan, Site Emergency Plans, Needs & Capabilities Assessment, District Hazard Analysis, Risk/Vulnerability Assessments, 200 Site Functional Exercises, EOC Functional Exercises, Full-Scale Active Shooter Exercise, EOC Section-Specific Training and Tabletop Exercise, Update Hazard Mitigation Plan
Santa Clara County Office of Education	Comprehensive Emergency Management Program - District Emergency Operations Plan, Site Emergency Plans, District Hazard Analysis, Site Safety Assessments, EOC Trainings, Site Command Team Trainings, EOC Tabletop Exercises
South Whittier School District	Hazard Mitigation Plan
Southwestern Community College District	District Emergency Operations Plan, Site Emergency Plans, District Hazard Analysis, EOC Trainings, Site Command Team Trainings, EOC Tabletop Exercises, Grant Writing, Hazard Mitigation Plan
Whittier City School District	Hazard Mitigation Plan
Whittier Union High School District	Hazard Mitigation Plan, Update Hazard Mitigation Plan
San Bernardino Community College District	Update Hazard Mitigation Plan
Utility and Transit Providers	
Antelope Valley Transit Authority	Hazard Mitigation Plan, EOC/Field Functional Exercise, Security and Emergency Preparedness Management Plan
Cucamonga Valley Water District	Hazard Mitigation Plan
Jurupa Community Services District	Hazard Mitigation Plan
Omnitrans	Hazard Mitigation Plan, Update System Security Emergency Response Preparedness Plan (SSERPP), Update Emergency Procedures, Deliver ICS Trainings, Exercises, Update Hazard Mitigation Plan

Background and Methodology

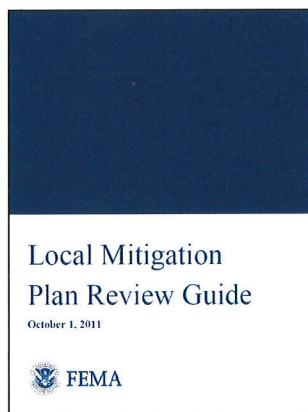
The update will incorporate all of the federal requirements relating to local hazard mitigation plans. EPC's hazard mitigation planning approach has been perfected since 2005 when the federal government first required plans for local jurisdictions. Since that time great effort and time has gone into tracking the changes of "interpretations" by the regulatory agencies of the DMA 2000 legislation. Without publishing updates to the originating legislation, FEMA instead has published guidelines (see below) and has amended the FEMA Review Tool used to judge the adequacy of plans. Understanding all the changes in interpretation is critical to writing a plan that can go through the state and FEMA reviewers with only minor revisions. State and FEMA have both made significant staffing changes over the past year resulting in more consistent reviews and fewer unjustified requested changes. Recently, FEMA review staff have worked closely with Cal OES review staff to better understand the requirements in order to streamline the review process. With so many FEMA approved plans,

obviously EPC clearly understands both the regulations and “interpretations” so goes into the review process as aligned as possible. All said, the key to a successful review is to be absolutely certain that every required component is clearly marked in the plan and on the FEMA Review Tool.

Nothing can replace EPC’s years of experience and track record at preparing FEMA-approved Hazard Mitigation Plans. This experience also prepares us for any challenges with other aspects of the planning process – Planning Team Meetings, Community Outreach, guiding the Draft Plan through the external review process by Cal OES and FEMA, gaining FEMA approval, and participating in the City Council’s public meeting to adopt the HMP. EPC prides itself in working closely with the jurisdiction’s Point of Contact to bend and adjust to the content, format, and scheduling needs.

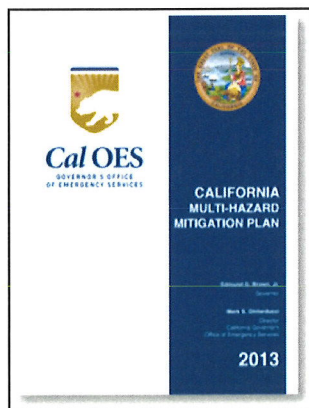
EPC Guarantees FEMA Approval of the Hazard Mitigation Plan

Hazard Mitigation Planning Approach



The update to the City of Duarte’s Hazard Mitigation Plan will be accomplished in compliance with the requirements of the federal government Disaster Mitigation Act of 2000 (DMA 2000), FEMA’s Local Multi-Hazard Mitigation Planning Guidance published July 2008, the Local Mitigation Plan Review Guide published in October 2011, and the Local Mitigation Planning Handbook published March 2013. Building on those materials and other FEMA mitigation “how-to guides”, the following methodology will be utilized:

- **Planning Tools** have been developed by EPC that will significantly decrease the amount of jurisdictional staff time required for completion of the update to the HMP. EPC developed the tools during development of the 2014 update to the County of Los Angeles All-Hazard Mitigation Plan.

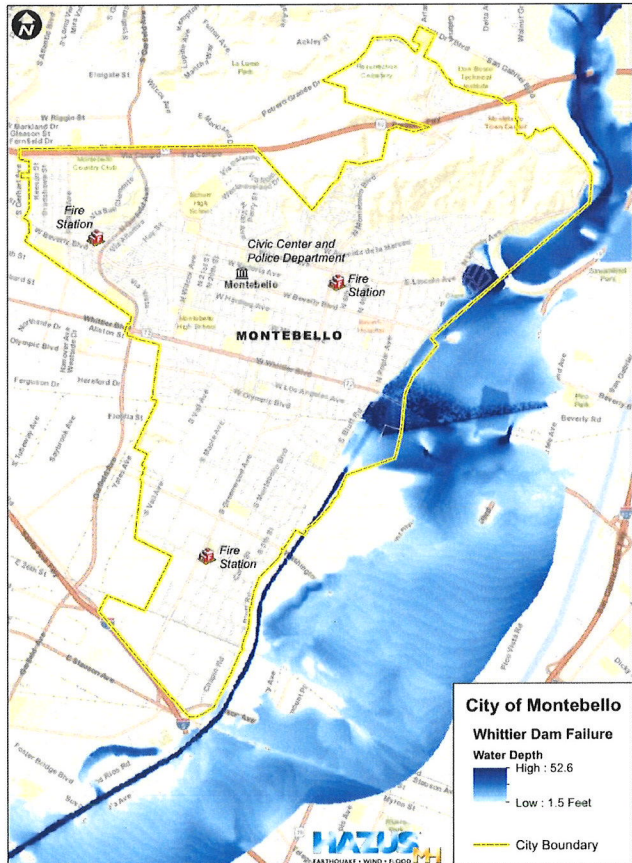


- **Risk Assessment** includes preparing the Hazard Identification, Risk Assessment, and Vulnerability Analysis portion of the Hazard Mitigation Plan will be conducted by EPC. EPC will build its Risk Assessment update off of the County of Los Angeles All-Hazard Mitigation Plan, and HMPs from surrounding communities including City of Rosemead and City of Montebello Hazard Mitigation Plans – all three prepared by EPC. Additionally, the City’s Emergency Operations Plan and General Plan will be reviewed for threat summary and other risk-related information. EPC will utilize a broad range of resources for information regarding historical disasters in the process of preparing the update to the HMP. Although DMA 2000 specifically identifies the need to identify “natural hazards”, EPC will update each of the nine hazards identified in the existing HMP. It’s important to note that the 2014 HMP written by the Planning Team with guidance from RBF is very well

written and provides a thorough assessment for each of the required components in an HMP. EPC will draw extensively from the 2014 while also investigating any new information on related hazards and vulnerability.

- **Mapping** resources within the jurisdiction will be utilized by EPC for production of maps that assist the reader in understanding the location and vulnerability to hazards. EPC will produce any other necessary to properly explain the location of hazards as they relate to critical and essential facilities. EPC will work directly with the City on utilizing existing mapping resources within the jurisdictions. In addition to traditional hazard mapping, also see discussion on HAZUS below.

- **HAZUS** (Hazards United States) will be integrated into hazard analysis process. HAZUS is software produced by FEMA designed to estimate loss projections for earthquakes, hurricanes, flooding, and tsunamis. EPC will provide three HAZUS Level 2 maps and reports. See sample HAZUS map below that was developed by the EPC Team for the City of Montebello's Hazard Mitigation Plan:



- **Planning Team** will consist of representatives from the City including members from departments with mitigation action items identified in the existing HMP. This included the Code Enforcement Manager - Public Safety Department, Public Works Manager - Community Development Department, Director - Community Development Department, Senior Planners - Community Development Department, and the Field Services Manager - Field Services Department. Additionally, the 2014 Planning Team was supported by a Technical Advisory Committee consisting of representatives from Los Angeles County Fire, Sheriff, and Agricultural Commission/Weights and Measures. Agendas, handouts, and PowerPoints will be provided at each of the Planning Team meetings. EPC President Carolyn Harshman will facilitate each of the Planning Team meetings.
- **Planning Team Meeting #1** (2 hours)
 - The purpose of the Kick-Off Meeting is to review project expectations and timeline, gather pertinent documents, confirm roles and membership of Planning Team, review the concepts and standards contained in the DMA 2000 regulations and FEMA Review Tool, discuss availability of mapping resources, and discuss opportunities for public outreach and involvement. The meeting will also include an initial review of the hazards and impacts as researched by EPC.
- **Planning Team Meeting #2** (2 hours)

- The purpose of the second meeting is to review the results of HAZUS, update plan goals, and update the Mitigation Strategy. This will involve capturing the status of mitigation action items in the 2014 HMP. EPC will work in advance of the meeting to review the City's Annual Budget and Capital Improvement Program to capture any mitigation-related projects. Additionally, during the meeting EPC will distribute a planning tool that contains a comprehensive list of mitigation actions from a wide variety of jurisdictional plans. The use of this comprehensive list will assist and expedite the Planning Team's process of identifying existing and future mitigation actions.
- In order to maintain compliance with FEMA, each of the mitigation action items needs to include a description of the action item, identification of coordinating department, timeline, priority, cost, benefit, goals accomplished, impacts to new and existing structures, and planning tools for implementation. The resulting Mitigation Actions Matrix is the very core of the mitigation planning process and will include action planning tools to be used by the Planning Team during the implementation process.
- **Planning Team Meeting #3 (2 hours)**
 - Complete update to existing mitigation action items and develop new mitigation action items.
- **Planning Team Meeting #4 (2 hours)**
 - Review of the First Draft Plan will be preceded by advance distribution of the document to the Planning Team via the City's Point of Contact. The meeting will provide an opportunity for the Planning Team to share comments and corrections to the document. Also, this meeting will include a discussion on preparations and logistics for soliciting public input including distribution of the Second Draft Plan for external agencies and organizations. A Third Draft Plan will be prepared to incorporate any input gathered during this part of the plan writing process.
- **Community Outreach** will be discussed at the first Planning Team Meeting. In order to comply with FEMA requirements, it is critical that individuals and organizations outside of the Planning Team have access to the Plan during the "plan writing process". Input gathered from the Planning Team on the First Draft Plan will be incorporated into a Second Draft Plan that will be posted on the City's website. Numerous methods including social media will be utilized to announce the availability of the Second Draft Plan and the opportunity to provide input.

In addition to encouraging participation in contributing to the Second Draft Plan, EPC will provide the following community outreach tools:

- SurveyMonkey (or a similar web-based tool) will be used to examine the levels of concern of the project area's residents and businesses to the identified hazards.
- Distribution of EPC-produced handouts sharing mitigation techniques available to residents and businesses. See sample handout below.

HOME & BUSINESS OWNERS

HAZARD MITIGATION

LOGO HERE



E A R T H Q U A K E



- MINIMIZE OR ELIMINATE THREATS ASSOCIATED WITH HAZARDS -

☐ Anchor plates, expansion anchors, and framing anchors to secure roofs to walls, walls at corners, and walls to foundations	☐ Protective coating on windows
☐ Gas and water automatic shut-offs	☐ Upgraded gas line connectors
	☐ Strap down water heaters
	☐ Secure heavy furniture and wall hangings

(INSERT CONTACT INFORMATION HERE)

- Links to hazard information allowing home and business owners to identify specific hazards impacting their own properties (State of California's MyHazards).



- **Finalization** will include preparing a Third Draft HMP incorporating input from the Second Draft Plan and sending the City's Point of Contact one electronic copy along with a cover letter and completed FEMA Review Tool for submission to Cal OES. Following any DMA 2000-justified revisions by EPC, Cal OES will forward the Plan to FEMA for an Approval Pending Adoption. Throughout the regulatory review process (Cal OES, FEMA), EPC will persevere in complying with DMA 2000-justified revisions while defending the City against unjustified, time-consuming revisions. EPC guarantees Cal OES and FEMA approval. The time this takes will vary depending on the assigned reviewer and whether or not all of the mitigation specialists have been deployed to disaster events. Whatever the wait or detour, EPC will continue to represent the City through the regulatory review until an approval is in hand. Upon receipt of FEMA's Approval Pending Adoption, the Final Draft Plan will be scheduled for presentation to the City of Duarte City Council for adoption. EPC will prepare a staff report and other supporting documentation for use at the adoption meeting. EPC President Carolyn Harshman will be prepared to present the HMP at the meeting. Following the meetings, proof of adoption will be forwarded to FEMA. FEMA will then send an email and letter of final approval which EPC will incorporate into the Final Plan.

Cost Proposal

Emergency Planning Consultants will complete all of the above-mentioned tasks for **\$25,000** in the project timeline identified below.

Project Timeline

Task	December 2018	January 2019	February	March	April	May	June	July	August	September	October	November
Research and Plan Writing												
Research for Risk Assessment	X											
Prepare First Draft Plan				X								
Prepare Second Draft Plan						X						
Prepare Third Draft Plan							X					
Prepare Final Draft Plan												X
Prepare Final Plan												X
Planning Team Meetings												
Planning Team Meeting #1 - HMP Overview, Initial Hazard Briefing, Community Outreach		X										
Planning Team Meeting #2 HAZUS and Update Existing Mitigation Action Items			X									
Planning Team Meeting #3 Develop New Mitigation Action Items				X								
Planning Team Meeting #4 Input to First Draft Plan					X							
Community Outreach												
Provide Opportunities for External Agencies and General Public to Provide Input to the Second Draft Plan					X							
Formal Review, Adoption, and Approval of Plan												
Submit Third Draft Plan to Cal OES							X					
Work with Cal OES and FEMA on DMA 2000-Mandated Revisions to the Plan							X	X	X	X	X	
Receive FEMA Approval Pending Adoption											X	
Meeting to Adopt the Final Draft Plan												X
Submit Proof of Adoption to FEMA												X
Receive FEMA Final Approval												X
Incorporate FEMA Final Approval into Final Plan												X

Harshman Resume

Carolyn J. Harshman, MPA, CEM
3665 Ethan Allen Avenue
San Diego, CA 92117
Telephone: (858) 483-4626
Fax: (858) 483-2862
E-Mail: epc@pacbell.net
Web: www.carolynharshman.com

CAROLYN J. HARSHMAN, MPA, CEM

E D U C A T I O N

MASTER OF PUBLIC ADMINISTRATION, SAN DIEGO STATE UNIVERSITY, 1977
BACHELOR OF ARTS, PSYCHOLOGY, SAN DIEGO STATE UNIVERSITY, 1974

C E R T I F I C A T I O N

Certified Emergency Manager (CEM), International Association of Emergency Managers

E X P E R I E N C E

President (1984 to Present), *Emergency Planning Consultants*, San Diego, California.

Consulting contracts include the Federal Emergency Management Agency (subject matter expert/trainer), U.S. Department of Homeland Security – FEMA (training development and delivery); U.S. Department of Defense - Center for Excellence in Disaster Management & Humanitarian Assistance (training); National Disaster Preparedness Training Center (recovery course developer and faculty); State of Hawaii (training and exercises); State of California (Multi-Hazard Functional Plan template); State of New Hampshire (emergency operations plan/standard operating procedures and guidelines); State of Indiana (grant administration, local CEMP courses, project management tools, and development of county CEMP & hazard analysis documents); State of Missouri (HSEEP agroterrorism functional exercise, HSEEP regional WMD exercises); State of Wyoming (training and exercises); State of Nebraska (training and exercises); County of Los Angeles (all-hazard mitigation plan); County of San Diego (multi-hazard functional plan); County of San Bernardino (training and exercises); City of Long Beach (hazard mitigation plan, emergency operations plan); City of Anaheim (hazard mitigation plan); City of Oakland (catastrophic plans); City of Carlsbad (comprehensive program of plans, training, and exercises); City of Chula Vista (pre-disaster recovery & reconstruction plan); City of Bellflower (hazard mitigation plan, emergency operations plans, general plan safety element); City of Upland (comprehensive program of plans, training, and exercises); City of Rancho Cucamonga (comprehensive program of plans, training, and exercises); City of Rancho Palos Verdes (comprehensive program of plans, training, and exercises); City of Santa Ana (emergency operations plan); City of Buena Park (hazard mitigation plan, emergency operations plans); Los Angeles Unified School District (hazard mitigation plan); San Diego Unified School District (comprehensive program of plans, training, exercises, and REMS grant administration); San Diego Community College District (comprehensive program of plans, training, and exercises); Chula Vista Elementary School District (comprehensive program of plans, training, and exercises); Hawaii Department of Education (REMS grant writing, consulting); Santa Clara Office of Education (comprehensive program of plans, training, and exercises); Southwestern Community College District (comprehensive program of plans,

training, and exercises) and numerous other local governments, school districts, and other government organizations. Training services have included California SEMS Introduction and EOC courses; ICS 100, 200, 300, 400, 402, 800; NIMS 700; and a wide variety of FEMA courses. Exercise services have included full-scale/field exercises (8), functional exercises (250), and tabletops (1,500).

Faculty (1984 to Present), *National University, FEMA's Emergency Management Institute, University of Hawaii, San Diego State University, Cal Poly San Luis Obispo, California State Fire Marshal, California Specialized Training Institute.*

Senior Projects Manager (1995 to 1996), *Southeastern Economic Development Corporation, San Diego, California.* Management of Projects & Development Division for City of San Diego's Redevelopment Agency.

Director of Training & Development (1987 to 1995), *City of San Diego, San Diego, California.* Management of organizational effectiveness and training programs for City Planning Department and the Building Inspection Department.

City Planner (1985 to 1987), *City of San Diego Planning Department, San Diego, California.*

Operations Officer (1982 to 1985), *County of San Diego Office of Disaster Preparedness, San Diego, California.* Project Manager on County's Emergency Operations Plan, Hazard Analysis, Dam Evacuation Plans, Drought Plan, and Damage Assessment Process. Public Information Officer and Exercise Officer. Operational responsibilities included Emergency Operations Center activations.

Regional Land Use Planner (1977 to 1982), *County of San Diego Department of Planning and Land Use, San Diego, California.*

SPECIAL RECOGNITION

National StormReady Board, U.S. National Weather Service, Member, 2008-present

FEMA Emergency Management Institute

Advisory Group on Emergency Planning, 2005-present

National Emergency Management Executive Academy, First Cadre, 2012-2013

International Association of Emergency Managers (IAEM), Member, 1996-present

IAEM USA Region 9 President 2016, 2017, 2018

Membership & Marketing Chair 2014, 2015

Leadership Symposium Chair 2012, 2013

Conference Committee Chair 2006, 2007, 2008, 2009, 2010, 2011

California State Representative 2004, 2005, 2006, 2007, 2008, 2009

Speaker, 1998 Annual Conference

Topic: *Standardized Emergency Management System 101*

Topic: *Grassroots Recovery – The Recovery Task Force*

Speaker, 1997 Annual Conference

Topic: *Creative Financing Techniques for Hazard Mitigation*

Speaker, 2012 Annual Conference

Topic: *Recovery & Reconstruction Planning – Avoiding the Rush to Normalcy*
Speaker, 2016 Annual Conference

Topic: *Demystifying Pre-Disaster Recovery Planning*
Speaker, 2017 Annual Conference

Topic: *Force Multiplier – Enlisting Property Owners in Hazard Mitigation*
Speaker, 2018 Annual Conference

Topic: *Will You Win or Lose at the Game of Debris Management?*

California Emergency Services Association (CESA), Member, 2000-present

Webinar Speaker, March 2015

Topic: *Optimizing Opportunities for Mitigation*
Speaker, October 2015

Topic: *Demystifying Pre-Disaster Recovery Planning*
Speaker, 2018 Annual Conference

Topic: *Will You Win or Lose at the Game of Debris Management?*

MEMORANDUM

TO: Mayor and Councilmembers
FROM: Darrell J. George, City Manager
DATE: November 19, 2018
SUBJECT: Conference Attendance – City Council Meeting of November 27, 2018

League of California Cities
New Mayors & Councilmembers Academy
January 16-18, 2019 – Sacramento (Hyatt Regency Sacramento)
January 30-February 1, 2019 – Irvine (Irvine Marriott)

Conference Cost: \$575

Hotel Rate: Sacramento – \$186/night plus taxes/fees
Irvine – \$184/night plus taxes/fees



NEW MAYORS & COUNCILMEMBERS ACADEMY

FOR ATTENDEES

All attendees must register for the conference online prior to reserving a hotel room. Registration is not complete until full payment is received. The League is unable to accept purchase orders. Once registration is complete, you will be directed to the housing reservations page.

Registration & Housing Deadline:

Sacramento: Friday, January 4, 2019 **Irvine:** Tuesday, January 8, 2019

Full Registration Includes:

- Electronic access to all program materials
- Admission to all sessions
- two breakfasts, two lunches, and the evening networking reception

FULL CONFERENCE REGISTRATION FEES

City Delegate

Elected Officials and Staff	\$ 575
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All Others

Non-Member City Elected Officials and City Staff	\$ 1575
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NOTE: Conference registration is required to attend sessions, meals and reception.

Optional Registration Add-ons

(non-refundable)

Spouse Registration (Networking Reception Only) - \$35

Guest rate is restricted to those who are not city/public officials, are not related to any Partner/Sponsor company, and would have no professional reason to attend for learning or business. Rate includes admission to the meals and reception only. Session seats are reserved for conference registrants. There is no refund for the cancellation of a guest registration. It is not advisable to use city funds to register a guest.

Refund Policy

Advance registrants unable to attend will receive a refund of rate paid, **minus a \$75 processing charge**, only when a written request is submitted to the League of California Cities, Conference Registration, 1400 K Street, Sacramento, CA, 95814 or mdunn@cacities.org and received by the **registration & housing deadline**. Refunds will not be available after this date. If you are unable to attend, you may substitute a colleague for your entire registration. Please note, sharing of registration is prohibited.

Conference Hotels

A limited number of hotel rooms are available for conference attendees. All attendees must register for the conference prior to reserving a hotel room. Once registration is complete, you will be directed to the housing reservations page.

Hyatt Regency Sacramento

1209 L Street, Sacramento, CA 95814
\$186.00 single/double per night plus taxes and fees

Parking: Valet Parking- \$29 per day / Self-parking- \$20 per day *(Subject to change without notice)*

Irvine Marriott

18000 Von Karman Avenue, Irvine, CA 92612
\$184.00 single/double per night plus taxes and fees

Parking: Valet Parking- \$36 per day / Self-parking- \$12 per day *(Subject to change without notice)*

STEP ONE: Register for the Conference

STEP TWO: Book hotel room

After your registration for the conference is received and processed, a confirmation email will be sent containing the links for housing reservations.

**Please DO NOT book outside of the League hotel block. This will cause an increase in event costs, liabilities and higher registration rates.*

Hotel Changes or Hotel Cancellations

Hotel reservation changes, date modifications, early check-out, or cancellations made prior to the registration & housing deadline must be done through the online reservation link you received when registering for the conference. Use your confirmation/acknowledgement number to access your reservation to make changes. Once the registration & housing deadline has passed, please contact the hotel directly with any changes or cancellations. Please note that hotel cancellations after the housing deadline has passed may incur a financial penalty or a minimum one-night room charge or attrition fees.

Hotel reservations at the conference rate are available for confirmed conference registrants, speakers, exhibitors, and sponsors only.

The time has come to send your newly elected officials to the New Mayors & Council Members Academy! The League of California Cities® is now offering this premier training event for new mayors and council members in two locations over two different dates:

January 16 – 18, 2019 in Sacramento
January 30 – February 1, 2019 in Irvine

Online registration is now open, register early and secure your spot for this important event.

This conference is a must attend for newly elected officials, and for veterans who would like a refresher course on the basic legal and practical framework in which city officials operate. Delve into critical training on important, fundamental topics for local government taught by subject matter experts and seasoned elected officials.

Your full conference registration will include admission for the following:

- Two and a half days of important educational sessions, with pertinent information for newly elected city officials, including how to run a council meeting, financial responsibilities, legal powers and obligations, communications and relations with city management, and much more.
- Opportunities to complete state mandated trainings, including AB 1234 Ethics Training and AB 1661 Sexual Harassment Prevention Training.
- Wednesday lunch, Thursday breakfast and lunch, and Friday breakfast.
- Electronic access to all program materials.

For a full schedule of events, please visit: 2019 New Mayors & Council Members Announcement

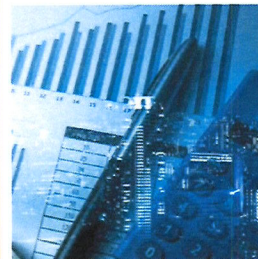
If you have any questions, please contact Caitlin Cole at ccole@cacities.org.

For more information, please visit: www.cacities.org/mayorscouncil

NEW MAYORS & COUNCIL MEMBERS ACADEMY

Two dates and locations to choose from!

January 16–18, 2019 | Hyatt Regency Sacramento
January 30–February 1, 2019 | Irvine Marriott

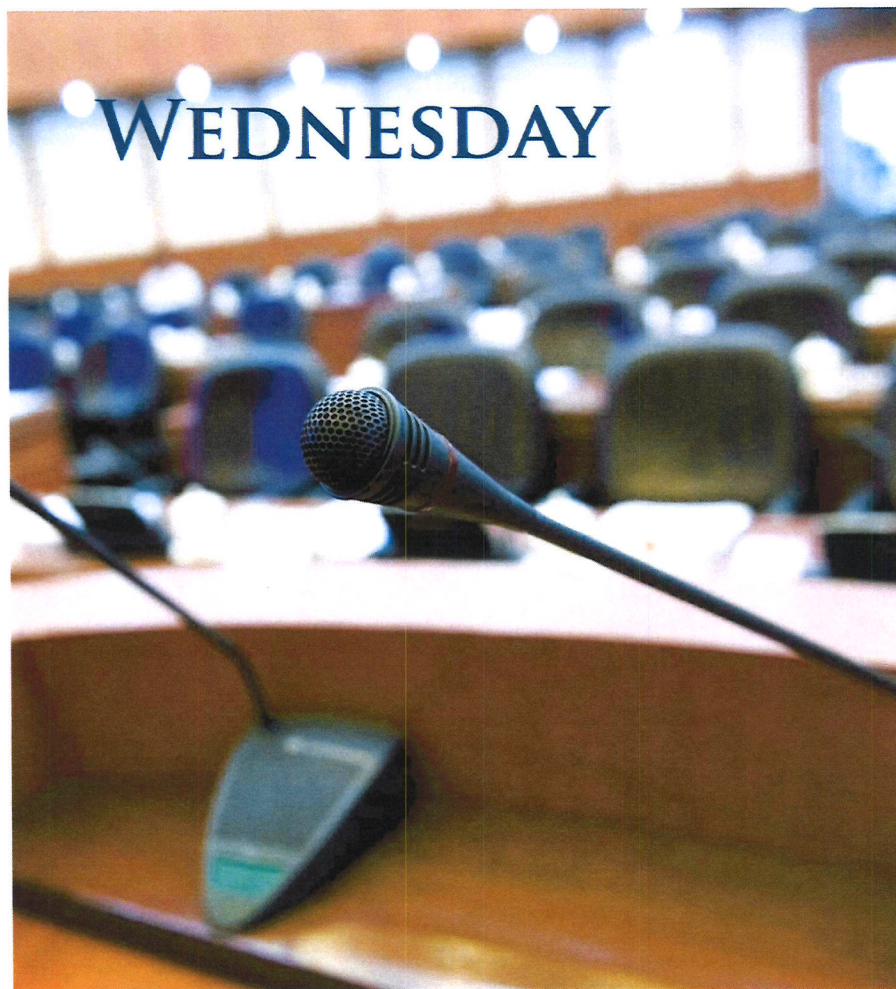


REGISTRATION AND HOUSING DEADLINE:
Sacramento: Friday, January 4, 2019
Irvine: Tuesday, January 8, 2019
www.cacities.org/events

Check out our mobile app

facebook.com/leagueofcities

@CaCities



Sexual Harassment Prevention Training (AB 1661)

8:00 – 10:00 a.m.

Sign-in begins at 7:30 a.m., and you must be present for the full two hours to receive the certification of attendance at 10:00 a.m. (Planned with the Institute for Local Government).

Local agency officials must receive two hours of sexual harassment prevention training and education within the first six months of taking office and every two years thereafter if the agency provides any type of compensation, salary, or stipend to those officials. This training will teach officials and staff how to identify, prevent and respond to workplace harassment, discrimination and retaliation. This training will fulfill training requirements for AB 1661/1825/2053.

WEDNESDAY

Registration Open

7:30 a.m.

Opening Session

City of Dysfunction Junction — How to Conduct an Effective and Respectful Council Meeting

10:30 a.m. – 12:15 p.m.

Enjoy a popular and hilarious skit, contrasting the wrong and the right ways to conduct your city council meetings.

Luncheon

Effective Advocacy & Key City Issues

12:30 – 2:00 p.m.

Meet the League of California Cities' legislative team, and learn about the legislative goals, legislative calendar, and trending issues in the legislature. Lobbyists will also share ideas for establishing practical skills to develop persuasive arguments and testimony that will serve your city's interests.

Your Legal Powers and Obligations

2:15 – 3:15 p.m.

You were elected to make things happen in your city. Learn the breadth, as well as the limitations of your powers as a city official. Acquire a basic understanding of the legal authorities and restrictions under which cities and city officials operate, with a focus on the Brown Act.

Part 1: Financial Responsibilities, City Revenues Workshop

3:30 – 4:45 p.m.

Part one in this two-part workshop covering your responsibilities as elected officials in exercising fiduciary accountability and transparency in open government. Discuss the local government financial cycle, elected official financial oversight duties, and state and local funding relationships, and identify the four stages of fiscal meltdown. The importance of structurally balanced budget tips for setting city council goals, and the need for financial policies will be stressed. Learn to avoid micromanagement and complacency management.

Networking Reception *(Sacramento Only)*

5:30 – 6:30 p.m.

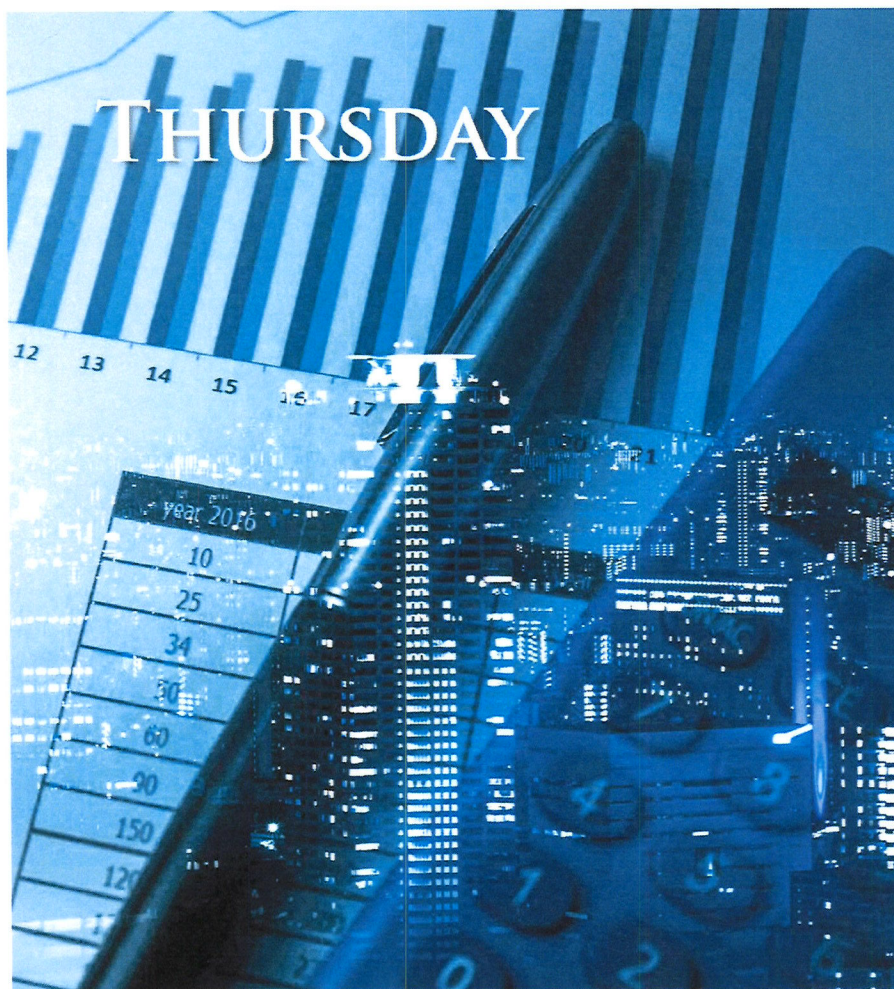
Take this opportunity to network with your peers from throughout the state after a full day of educational sessions. Assembly Members and Senators from throughout the state are invited to attend.



For speaker information, go to

www.cacities.org/mayorscouncil

Sessions are subject to change



Registration Open

7:00 a.m.

Networking Breakfast

7:30 – 8:30 a.m.

Part 2: Financial Responsibilities, City Revenues Workshop

8:30 – 9:45 a.m.

Part two in this two-part workshop covering your responsibilities as elected officials in exercising fiduciary accountability and transparency in open government. Discuss the local government financial cycle, elected official financial oversight duties, and state and local funding relationships, and identify the four stages of fiscal meltdown. The importance of structurally balanced budget tips for setting city council goals, and the need for financial policies will be stressed. Learn to avoid micromanagement and complacency management.

THURSDAY

Policy Role in Land Use Planning

10:00 – 11:00 a.m.

Land use planning is one of the most important aspects of a city official's responsibilities because of the long-term impacts it can have on a community's environment, economic vitality and the physical health of its residents. Learn about tools and processes in land use planning such as the general plan, zoning, and the California Environmental Quality Act (CEQA), as well as the role of regional agencies and the state. This knowledge will help you foster a solid working relationship with your city's planning commission and planning staff.

Your League and How To Use It

11:15 – 11:45 a.m.

As a city official, you are the League. Its success, along with your own, depends on your involvement and leadership. Receive an introduction to the services of the League of California Cities, how you can access them, and how you can become involved.

Luncheon Inquiring Minds Want to Know

12:00 – 1:15 p.m.

Have a question that you are afraid to ask in a public meeting, or feel that you should already know the answer to? Join us in a safe and friendly environment to receive answers to your most pondered questions, and hear questions from your colleagues.

Relationship between City Council and City Management

1:30 – 3:00 p.m.

As an elected official, there will be various competing values and priorities that drive you and your colleagues within your city. Your success on the council requires an effective relationship with your city manager, city attorney and staff, where everyone's values are respected and represented. Learn how to work together while cultivating each of your diverse roles.

Communications and Civic Engagement

3:15 – 4:45 p.m.

With constant advancements in social media over the last several years, it can be hard to keep up with the "do's and don'ts" of every platform. There is a wide variety of almost immediate online informational sources, and elected officials need to be quick on their feet with the necessary skills to proactively manage public perceptions about local governmental affairs. Discover what cities should be doing to communicate with their constituents in the 21st century, and the rules that elected officials need to follow.

Networking Reception

(Irvine Only)

5:30 – 6:30 p.m.

Take this opportunity to network with your peers from throughout the state after a full day of educational sessions. Assembly Members and Senators from throughout the state are invited to attend.

FRIDAY

Registration Open

7:30 a.m.

Networking Breakfast & Late Breaking Session

8:00 – 9:15 a.m.

Watch for details to be released prior to the conference.

How to Build and Maintain the Public's Trust: Practical Ethics and the Law (AB 1234)

9:45 – 11:45 a.m.

Sign-in begins at 9:15 a.m., and you must be present for the full two hours to receive the certification of attendance at 11:45 a.m. (Planned with the Institute for Local Government).

State law requires elected and appointed officials to receive training in specified ethics laws and principles every two years.

Newly elected and appointed officials must receive this training within one year of becoming a public servant. This lively, example-laden, two hours will make this mandatory training more tolerable – if not outright enjoyable.



For speaker information, go to

www.cacities.org/mayorscouncilled

****Sessions are subject to change****

Save The Dates:



2019 ANNUAL CONFERENCE & EXPO

October 16–18, 2019
Long Beach
Convention Center

MAYORS & COUNCIL MEMBERS EXECUTIVE FORUM

June 19–20, 2019 | Newport Beach Marriott

MAYORS & COUNCIL MEMBERS ADVANCED LEADERSHIP WORKSHOPS

June 21, 2019 | Newport Beach Marriott

GENERAL INFORMATION

REGISTRATION AND HOUSING DEADLINE:

Sacramento: Friday, January 4, 2019

Irvine: Tuesday, January 8, 2019

STEP 1: REGISTER FOR THE CONFERENCE

Registration is not complete until full payment is received. The League is unable to accept purchase orders.

- For online registration, go to www.cacities.org/events and select "New Mayors and Council Members Academy".
- To request a mail-in registration form, contact mdunn@cacities.org.

Registration must be received by the registration & housing deadline. After this date, please register onsite if space is still available.

COSTS/FEES

Full registration includes electronic access to all program materials, admission to all sessions, two breakfasts, two lunches, and the evening networking reception.

Full Conference

Elected Officials and City Staff	\$575
Non-Member City Elected Officials and City Staff	\$1575
Spouse Registration (Networking Reception only)	\$35

The spouse fee is restricted to persons who are not city or public officials, are not related to any League Partner or sponsor, and would have no professional reason to attend the conference. It includes admission to the networking reception only. There is no refund for the cancellation of a spouse registration. It is not advisable to use city funds to register a spouse.

CANCELLATIONS

Refunds of rate paid, minus \$75 processing charge, will be made for cancellations submitted in writing to mdunn@cacities.org and received by the **registration & housing deadline**. There are no refunds for cancellations after this date. Substitutions can be made onsite.



If you require special accommodations related to facility access, transportation, communication and/or dietary requests, please contact our Conference Registrar at mdunn@cacities.org by the Registration & Housing Deadline.

STEP 2: RESERVE A HOTEL ROOM

Hotel Information & Reservations

A limited number of hotel rooms are available for conference attendees. All attendees must register for the conference prior to reserving a hotel room. Once registration is complete, you will be directed to the housing reservations page. Hotel reservation changes, date modifications, early check-out, or cancellations made prior to the **registration & housing deadline** must be done through the online reservation link you received when registering for the conference. Use your confirmation/acknowledgement number to access your reservation to make changes. Once the registration & housing deadline has passed, please contact the hotel directly with any changes or cancellations. Please note that any hotel cancellations after the housing deadline has passed may incur a financial penalty or a minimum one-night room charge or attrition fees.

January 16 – 18, 2019, Sacramento

Hyatt Regency Sacramento

1209 L Street, Sacramento, CA 95814

Hotel Rate (per night): \$186 – Single/Double Occupancy (plus tax and fees)

Valet parking: \$29 per day / Self-parking: \$20 per day (subject to change without notice)

January 30 – February 1, 2019, Irvine

Irvine Marriott

18000 Von Karman Avenue, Irvine, CA 92612

Hotel Rate (per night): \$184 – Single/Double Occupancy (plus tax and fees)

Valet parking: \$36 per day / Self-parking: \$12 per day (subject to change without notice)

PLEASE NOTE: The information you provide to the League when registering for a League conference or meeting may be shared with the conference or meeting hotel(s). The hotel(s) will also share with the League the information you provide to the hotel(s) when you make your hotel reservation for the conference or meeting. The information shared between the League and the hotel(s) will be limited to your first name, last name and dates/length of stay in the hotel.

Duarte and Duarte Dispatch

Affiliated with SGV Newspaper Group
605 E. Huntington Dr., Suite 100
Monrovia, CA 91016
626-962-8811 ext. 40891

5007700

CITY OF DUARTE
1600 E. HUNTINGTON DRIVE
DUARTE, CA 91010

FILE NO. (Public Hearing - PSDA Arbor PROOF OF PUBLICATION (2015.5 C.C.P.)

STATE OF CALIFORNIA County of Los Angeles

I am a citizen of the United States, and a resident of the county aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of DUARTEAN and DUARTEAN DISPATCH, a newspaper of general circulation printed and published weekly in the City of Duarte, County of Los Angeles, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, on the date of July 6, 1948, Case Number POMO C986. The notice, of which the annexed is a true printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

11/10/2018, 11/17/2018

I declare under the penalty of perjury that the foregoing is true and correct.

Executed at Monrovia, LA Co. California
On this 19th day of November, 2018.



Signature

(Space below for use of County Clerk Only)

Legal No. 0011197661

NOTICE OF A PUBLIC HEARING OF THE CITY COUNCIL OF THE CITY OF DUARTE TO CONSIDER A PROPOSED PURCHASE, SALE, AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF DUARTE AND ARBOR CAPITAL PARTNERS LLC, FOR THE SALE OF CERTAIN PROPERTY LOCATED AT 1303 AND 1305 HUNTINGTON DRIVE (ASSESSOR'S PARCEL NUMBERS 8530-004-905 and 903)

IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 52201(a), PUBLIC NOTICE IS HEREBY GIVEN that a public hearing will be held before the City Council of the City of Duarte ("City Council") on November 27, 2018, at 7:00 p.m. or as soon thereafter as the matter may be heard, in the Council Chambers of Duarte City Hall, 1600 Huntington Drive, Duarte, California, to consider a proposed Purchase, Sale, and Development Agreement ("PSDA") between the City of Duarte and Arbor Capital Partners LLC ("Arbor"), for the sale of certain property located at 1303 and 1305 Huntington Drive (Assessor's Parcel Numbers 8530-004-905 and 903) (the "Property").

A copy of the proposed PSDA and summary report (Report) required by Government Code Section 52201 may be reviewed at Duarte City Hall located at 1600 Huntington Drive, Duarte, California, between the hours of 7:30 am to 5:30 pm, Monday through Thursday. Any person may submit written comments on these matters to the City prior to the hearing and/or may appear and be heard in support of or in opposition to the proposed PSDA and Report at the time of the hearing.

All interested persons are invited to appear and present evidence and testimony concerning any or all of the matters described in this Notice. You may wish to make your comments in writing and submit them to the City Clerk for inclusion into the public record. If you challenge the decision of this case in court, you may be limited to raising only those issues that you or someone else raised at the public hearing, or in written correspondence delivered to the City at, or prior to, the public hearing. Furthermore, you must exhaust any administrative remedies prior to commencing a court challenge to City action.

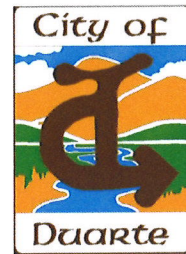
In the City's efforts to comply with the requirements of Title II of the Americans with Disabilities Act of 1990, persons in need of special equipment, assistance, or accommodation(s) to communicate at the hearing, must inform the City Clerk a minimum of 72 hours prior to the scheduled hearing.

If you have any questions, you may contact Craig Hensley, Community Development Director, at (626) 357-7931 during regular business hours.

Marla Akana, City Clerk

11/5/18

PUBLISH: Duartean, Saturday November 10, 2018, and Saturday, November 17, 2018, AD#1197661



MEMORANDUM

TO: Mayor and City Council
FROM: Craig Hensley, Community Development Director 
DATE: November 27, 2018
SUBJECT: Approval of a Purchase Sale and Development Agreement Between the City and Duarte Plaza Development for the Properties at 1303 and 1305 Huntington Drive

Staff recommends that the City Council approve and authorize the City Manager to sign a Purchase Sale and Development Agreement (PSDA) for the sale of the properties at 1303 and 1305 Huntington Drive. The PSDA is with Duarte Plaza Development.

These properties are the former location of Sparr Liquor which was acquired by the City in 2017 and the former Western Dental property which was purchased by the Redevelopment Agency in 2009 and later sold to the City. Buildings on the property were previously demolished and are vacant awaiting development.

For the past several months, Staff has been working with the developer on a plan that would provide a project that meets the goals of the Town Center Specific Plan. This same developer previously completed the drive through Starbucks project at this same intersection.



Illustrative of Proposed Project

The developer has submitted preliminary plans that call for two pad buildings to be built with a total building area of between 8,000 and 8,500 square feet and a plaza area on

the corner of Huntington Drive and Buena Vista Street. The project will also include upgrade of the entire parking lot area which includes: repaving, new lighting and new landscape. In addition to the aesthetic improvements, the renovated parking lot will have several additional parking spaces.

The proposed sale price of the property is \$650,000 which has been determined, through a detailed property valuation analysis, to be the fair market value. While this amount seems low, this property is burdened by the need to upgrade the entire adjacent shopping center parking lot as the parking area is shared. The PSDA also calls for the developer to cooperate with the City to encourage the other property owners in the shopping center to initiate façade upgrades to their properties. All three main owners have been contacted and discussions will continue.

The process of “cleaning up” this intersection has been complex and has taken several years. This project has been designed to make a positive and bold Architectural statement. This development, along with the mixed use project to the east and planned pedestrian improvements between the projects will be a major step in transforming the Town Center area.

While the cost of acquiring the properties was much higher than the current value, the properties were both acquired with buildings that had value and the business cost for Sparr Liquor was also a factor. The final result will be a development that has been designed to be a model development for the Town Center area. The project will also add at least two National Tenant food uses, which will be an advantage for the community.

Attachments: Resolution 18-R-46
 Summary Report w/ PSDA

RESOLUTION NO. 18-46**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUARTE AUTHORIZING THE EXECUTION OF A PURCHASE, SALE, AND DEVELOPMENT AGREEMENT FOR THE SALE OF CERTAIN PROPERTIES LOCATED AT 1303 AND 1305 HUNTINGTON DRIVE (ASSESSOR'S PARCEL NUMBERS 8530-004-903 AND 8530-004-905) TO DUARTE PLAZA DEVELOPMENT LLC FOR THEIR FULL FAIR MARKET VALUE**

WHEREAS, the City of Duarte is a municipal corporation and general law city organized and existing under the laws of the State of California (the "City"); and

WHEREAS, the City of Duarte is the owner of certain properties located at 1303 and 1305 Huntington Drive (Assessor's Parcel Numbers 8530-004-903 and 8530-004-905) (the "Properties"); and

WHEREAS, an appraisal has identified the current full fair market value of the Properties as six hundred fifty thousand dollars (\$650,000); and

WHEREAS, the Properties consist of two vacant parcels comprised of 29,790 square feet and

WHEREAS, the Properties are currently zoned for Town Center Specific Plan ("Specific Plan"), are designated as Mixed Use Town Center, and allow general commercial uses; and

WHEREAS, City staff have negotiated a Purchase, Sale, and Development Agreement (the "PSDA") with Duarte Plaza Development LLC, a California limited liability company ("Developer"), pursuant to which the City would sell the Properties to Developer for their full fair market value, and the Developer would be required to develop the Properties with a commercial retail development permitted by, and in compliance with the development standards set forth in, the Specific Plan, including without limitation the requirement for a public plaza (collectively, the "Project"), all as more particularly described in the PSDA; and

WHEREAS, pursuant to the PSDA, the Developer would be required to perform certain improvements to the parking areas serving the shopping center, including paving, striping, and lighting, and installation of landscaping and irrigation improvements (collectively, the "Parking Improvements"), and would also be required to maintain the completed development in a good condition and repair; and

WHEREAS, Government Code 52201 requires that the City prepare a Summary Report to consider the financial terms of the transaction, as set forth in the PSDA, that the City Council conduct a noticed public hearing with respect to the PSDA, and that the approval of the PSDA be accompanied by certain findings and determinations as set forth herein; and

WHEREAS, a Summary Report for the PSDA has been prepared and the public hearing has been conducted in accordance with applicable requirements of law; and

WHEREAS, the City Council has considered all the information and evidence set forth in the Summary Report presented by City staff and presented by persons wishing to appear and be heard concerning the impact of the PSDA on the City; and

WHEREAS, the PSDA is of benefit to and in the best interests of the City of Duarte.

NOW, the City Council of the City of Duarte hereby RESOLVES, DECLARES and ORDERS, as follows:

SECTION 1. The statements, findings, and determinations set forth above and in the preambles of the documents approved by this resolution are true and correct.

SECTION 2. The City Council hereby finds and determines that the PSDA will create at least one full-time equivalent, permanent job after full capacity and implementation;

SECTION 3. The City Council approves the sale of the Properties to the Developer for their full fair market value of six hundred fifty thousand dollars (\$650,000), pursuant to the PSDA, a copy of which is attached hereto as Exhibit A.

SECTION 4. The form of the PSDA is hereby approved. The City Manager ("Authorized Officer") is hereby authorized and directed, on behalf of the City, to execute and deliver the PSDA substantially in the approved form, with such changes as the Authorized Officer executing such document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED and ADOPTED this 27th day of November, 2018.

Mayor, John Fasana

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF DUARTE)

I, Marla Akana, City Clerk of the City of Duarte, County of Los Angeles, State of California, hereby attest to the above signature and certify that Resolution No. was adopted by the City Council of the City of Duarte at a regular meeting of said Council held on the 27th day of November, 2018, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:

City Clerk Marla Akana
City of Duarte, California

SUMMARY REPORT

Purchase, Sale, and Development Agreement

Duarte Plaza Development LLC
and the
City of Duarte

November 27, 2018

OVERVIEW

This report has been prepared in connection with a proposed Purchase, Sale, and Development Agreement (“Agreement”) by and between the City of Duarte, a California municipal corporation (“City”), and Duarte Plaza Development LLC, a California limited liability company (“Buyer”) (see Exhibit 1). The Agreement facilitates the sale from the City to the Buyer of certain property located at 1303 and 1305 Huntington Drive (Assessor’s Parcel Numbers 8530-004-903, and 8530-004-905) (collectively, the “Property”).

The Property is comprised of approximately 29,790 square feet spread over Assessor’s Parcel Nos. 8530-004-903, and 8530-004-905.

This report has been prepared pursuant to California Government Code section 52201 and presents the following:

- A copy of the proposed sale or lease.
- A summary that describes and specifies all of the following:
 - (i) The cost of the agreement to the city, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the city, plus the expected interest on any loans or bonds to finance the agreements.
 - (ii) The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the general plan or zoning.
 - (iii) The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use, then the city, shall provide as part of the summary an explanation of the reasons for the difference.
 - (iv) An explanation of why the sale or lease of the property will assist in the creation of economic opportunity, with reference to all supporting facts and materials relied upon in making this explanation.

These items are detailed below and make reference to the terms of the proposed Agreement, a copy of which is attached to this report. (See Exhibit 1.)

▪ **Cost of the Agreement to the City**

1303 Huntington Parcel

The property at 1303 Huntington (“1303 Parcel”) was operated as a liquor store from the 1950’s until the City’s acquisition, in April 2017. During its operation as a liquor store, law enforcement was called out regularly, and there were numerous other code enforcement and other incidents at the 1303 Parcel, rendering it a public nuisance.

In September, 2016, the City adopted the Town Center Specific Plan (“Specific Plan”). To revitalize this prime corner within the City, the City determined in 2016 to acquire the 1303 Parcel. Because the Sparr Liquor store had been in operation for many years, the City’s total acquisition costs of \$2,500,000 included the cost of the building improvements, business inventory, and business goodwill, as well as considerations of avoided transactional costs had the City pursued more formal acquisition through eminent domain. Shortly after acquisition the City demolished the structure and performed certain remediation activities, at a cost of \$60,063.

In August 2017, as a result of the adoption of the Specific Plan, the City determined the best use of the 1303 Parcel would be as a larger commercial/retail building site, merged with the 1305 Parcel.

1305 Huntington Parcel

The property at 1305 Huntington (“1305 Parcel”) is a vacant parcel comprising approximately 18,023 square feet, and is zoned for Commercial-General uses. The 1305 Parcel was acquired in 2009 by the Duarte Redevelopment Agency (“RDA”), for the purchase price of \$707,895, which included the value of building improvements and business goodwill, as well as considerations of avoided transactional costs had the City pursued more formal acquisition through eminent domain. At the time of acquisition, the 1305 Parcel contained a building formerly used as medical/dental office space. The building had been damaged from a fire, was unoccupied, and was a blight to the area.

The RDA utilized 20% affordable housing set-aside funds to purchase the 1305 Parcel, with the intent that the 1305 Parcel would be developed as part of a larger project that would include an affordable housing component. The RDA demolished the building shortly after acquisition, but was unsuccessful in its efforts to structure an appropriate affordable housing transaction at the site.

Because the 1305 Parcel is located at a primary corner in the City, the Specific Plan imposes specific development requirements, and includes a requirement for certain space to be made available to the public as a public plaza.

In August 2017, as a result of the adoption of the Specific Plan and the City's acquisition of the 1303 Parcel, the City determined the best use of the 1305 Parcel would be as a larger commercial/retail building site, merged with the 1303 Parcel. To enable the 1305 Parcel to be utilized for this purpose, in August 2017, the City purchased the 1305 Parcel from the Duarte Housing Authority (the "Authority"), the successor housing entity to the RDA, for the then-fair market value of \$240,968. The sale proceeds of that transaction were deposited into the Housing Authority's low and moderate income housing trust fund for use in connection with a future affordable housing development.

The combined property (e.g., the 1303 Parcel and 1305 Parcel) were recently valued by the City's professional valuation consultants at \$650,000, which amount takes into account the development constraints and requirements imposed by the Specific Plan, including the development of certain space to be accessible by members of the general public.

The Property is being sold for its full fair market value of \$650,000.

▪ **Estimated Value of Interest to Be Conveyed**

The estimated value of the interest to be conveyed to the Buyer is the appraised value of the Property, which is Six Hundred Fifty Thousand Dollars (\$650,000.00).

▪ **Creation of Economic Opportunity**

The Buyer is in escrow to acquire certain real property adjacent to the Property. The Agreement requires the Buyer to work with the owners of the other properties within the shopping center, and to rehabilitate the parking lot, which is currently in poor repair. The rehabilitation work will include paving and striping improvements, and installation of lighting and landscape improvements, as well as a mechanism to ensure that the parking lot improvements are maintained in a good condition and repair. It also requires development of the Property, which is at the city's most significant intersection, with a building that meets the zoning and design requirements of the Town Center Specific Plan (adopted September 2016). Therefore, the Buyer's development of the Project will result in the elimination of existing blighted conditions, which consist of under-utilized parcels at a key location in the City of Duarte, as well as new development, which will entail the creation of new jobs and economic opportunities within the City.

PURCHASE, SALE, AND DEVELOPMENT AGREEMENT

by and between

**the CITY OF DUARTE
a California municipal corporation,**

and

**DUARTE PLAZA DEVELOPMENT LLC
a California limited liability company**

PURCHASE, SALE, AND DEVELOPMENT AGREEMENT

THIS PURCHASE, SALE, AND DEVELOPMENT AGREEMENT (this "**Agreement**") is dated as of _____, 2018 (the "**Effective Date**"), and is entered into by and between DUARTE PLAZA DEVELOPMENT LLC, a California limited liability company ("**Developer**"), and the CITY OF DUARTE, a California municipal corporation, exercising governmental functions and powers (the "**City**"). City and Developer enter into this Agreement with reference to the following recited facts (each a "**Recital**"):

RECITALS

A. City owns fee title to certain real property located at 1303 and 1305 Huntington Drive, (APN 8530-004-903 & 905) in the City of Duarte, County of Los Angeles, State of California, as more particularly described in Attachment No. 1, which is attached hereto and incorporated herein by this reference (the "**Property**").

B. The Property comprises a portion of a commercial shopping center located northeast of the intersection of Huntington Drive and Buena Vista Street (the "**Shopping Center**"). The Property and Shopping Center are depicted in the site map attached hereto and incorporated herein as Attachment No. 2 (the "**Site Map**")

C. Developer desires to purchase the Property from City and to develop and operate thereon certain commercial uses.

D. City and Developer now wish to enter into this Agreement to set forth the terms and conditions for (i) City to sell the Property to Developer, and (ii) Developer to (a) develop the Property in conformance with the Town Center Specific Plan (the "**Specific Plan**"), including, without limitation, to develop an outdoor plaza area that is required to be and remain available for public use, (b) obtain approval from the persons and entities that own the other properties located in the Shopping Center (collectively, the "**Other Owners**") for, and improve the parking facilities that serve the Shopping Center, and (c) use its commercially reasonable best efforts to collaborate with the Other Owners to establish a program for funding and implementing facade improvements to the Other Owners' buildings, all as more specifically set forth in this Agreement (collectively, the "**Project**").

E. The disposition of the Property to Developer and Developer's development and operation of the Project pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the City of Duarte and the welfare of its residents, and in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements under which the Project has been undertaken.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION AND THE PROMISES AND COVENANTS OF THE PARTIES SET FORTH IN THIS AGREEMENT, CITY AND DEVELOPER AGREE, AS FOLLOWS:

ARTICLE I

RECITALS AND IDENTITIES OF PARTIES

Section 1.1 Incorporation of Recitals. The Recitals of fact set forth above are true and correct and are incorporated into this Agreement in their entirety by this reference.

Section 1.2 Parties to the Agreement. The Parties to this Agreement are City and Developer.

Section 1.3 Restrictions on Change in Management or Control of Developer and Assignment or Transfer.

(a) Developer acknowledges that the qualifications and identity of Developer are of particular importance to City. Developer further recognizes and acknowledges that City has relied and is relying on the specific qualifications and identity of Developer in entering into this Agreement with Developer and, as a consequence, Transfers are permitted only as expressly provided in this Agreement.

(b) Developer shall promptly notify City in writing of any and all changes whatsoever in the identity of the business entities or individuals either comprising or in control of Developer, as well as any and all changes in the interest or the degree of control of Developer by any such person, of which information Developer or any of its partners, members or officers are notified or may otherwise have knowledge or information. If there is any Transfer, whether voluntary or involuntary, in membership, ownership, management or control of Developer (other than such changes occasioned by the death or incapacity of any individual) other than a Permitted Transfer or a Transfer that has been approved in writing by City prior to the time of such Transfer, then prior to the Project Completion Date City may exercise any remedy available to City under the terms of this Agreement; provided, however, that (i) City shall first notify Developer in writing of its intention to terminate this Agreement or to exercise any other remedy, and (ii) Developer shall have twenty (20) calendar days following its receipt of such written notice to commence and, thereafter, diligently and continuously proceed to cure the default of Developer and submit evidence of the initiation and satisfactory completion of such cure to City, in a form and substance reasonably satisfactory to City.

(c) Except as set forth in this Section 1.3, and notwithstanding any provision to the contrary in this Agreement, prior to the Project Completion Date, Developer shall not sell, assign, convey, create any trust estate with respect to or otherwise Transfer any of its interests in this Agreement, the Property, and/or the Project, without the prior written approval of the City Manager, which approval shall not be

unreasonably conditioned, delayed, or denied; this restriction shall not apply on and after the Project Completion Date. Developer recognizes that the qualifications and identity of Developer are of particular concern to City and that a sale, assignment, conveyance with respect to or other Transfer of any of Developer's interests in this Agreement, the Property, and/or the Project is for all practical purposes a transfer or disposition of the responsibilities of Developer with respect to this Agreement, the Property, and/or the Project and, therefore, are only allowed in accordance with the provisions of this Section 1.3. Except as expressly permitted in this Agreement, Developer represents and agrees that it has not made and will not create or suffer to be made or created, any Transfer, either voluntarily, involuntarily or by operation of law, without the prior written approval of City, until after the Project Completion Date. Any Transfer made in contravention of this Section 1.3 shall be voidable at the election of City and, if voided, shall be deemed to be an Event of Default by Developer, whether or not Developer knew of or participated in such Transfer.

(d) Subject to the terms of paragraph (c) above in this Section 1.3, Developer is not required to give City advance notice of, nor shall City have the right to approve, a Permitted Transfer. Additionally, City may, in its reasonable discretion, approve in writing any other Transfer (meaning, a Transfer that is not a Permitted Transfer) requested by Developer, provided the proposed transferee can satisfactorily demonstrate successful experience in the development, ownership, operation, and management of a project of the same type as the Project, acquires fee title to the Property, and expressly assumes in writing all of the obligations of the Developer under this Agreement. All instruments and other legal documents proposed to effect any Transfer shall be submitted to City for review, prior to the Transfer, and the written approval or disapproval of City shall be provided to Developer, within thirty (30) calendar days of City's receipt of Developer's request.

(e) The provisions of this Section 1.3 shall terminate and be of no further force and effect upon issuance of a Release of Construction Covenants for the Project.

(f) Upon an approved or Permitted Transfer of the Property by Developer prior to the Project Completion Date or any Transfer thereafter, Developer shall be deemed released from any obligations under this Agreement except for any indemnification obligations with respect to Claims based on actions and/or inactions occurring prior to such Permitted Transfer.

ARTICLE II

DEFINITIONS

Section 2.1 Defined Terms. In addition to the usage of certain words, terms or phrases that are defined in the initial paragraph or Recitals of this Agreement, the following words, terms and phrases are used in this Agreement, including in ARTICLE I above, unless the particular context of usage of a word, term or phrase requires another interpretation:

(a) **"Affiliate"** means and refers to any Person, directly or indirectly, Controlling or Controlled by or under common Control with Developer, whether by direct or indirect ownership of equity interests, by contract or otherwise.

(b) **"City"** means and refers to the City of Duarte, California.

(c) **"City Deed"** means and refers to a grant deed in substantially the form of Attachment No. 5 to this Agreement, conveying all of City's interest in the Property to Developer.

(d) **"City Manager"** means and refers to the person duly appointed to the position of City Manager of the City or his or her designee or successor in function.

(e) **"City and City Personnel"** means and refers, collectively, to City, its elected and appointed officials, commissions, employees, agents, representatives, and attorneys.

(f) **"City's Title Notice Response"** means and refers to the written response of City to Developer's Title Notice, in which City either elects to (i) cause the removal from the Preliminary Report or, in the alternative, (ii) obtain title insurance in a form reasonably satisfactory to Developer insuring against any matters disapproved in Developer's Title Notice or (iii) elects not to take either action described in (i) or (ii).

(g) **"CEQA"** means and refers to the California Environmental Quality Act, Public Resources Code Sections 21000, *et seq.*

(h) **"Claims"** means any and all claims, losses, costs, damages, expenses, liabilities, liens, actions, causes of action (whether in tort or contract, at law or in equity, or otherwise), charges, awards, assessments, fines, and penalties of any kind (including consultant and expert expenses, court costs, and reasonable attorney's fees of counsel retained by the City Parties, expert fees, costs of staff time, and investigation costs, of whatever kind or nature), and judgments, including, but not limited to, Claims for: (1) injury to any person (including death at any time resulting from that injury); (2) loss of, injury or damage to, or destruction of, property (including all loss of use resulting from that loss, injury, damage, or destruction) regardless of where located, including the property of the City Parties; (3) any workers' compensation or prevailing wage determination; and (4) all economic losses and consequential or resulting damage of any kind.

(i) **"Close of Escrow"** means and refers to the recording of the City Deed in the Official Records of the Recorder of the County of Los Angeles, California, and completion of each of the actions set forth in ARTICLE IV by the Escrow Holder for City to sell the Property to Developer and Developer to purchase the Property from City.

(j) **"Control"** means and refers to possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by ownership of equity interests, by contract or otherwise.

(k) **“Controlling”** and **“Controlled”** mean and refer to exercising or having Control.

(l) **“Deed of Trust”** means and refers to a deed of trust or other security instrument required by a Lender to be recorded against the Property, to secure Developer’s performance under the various documents and instruments made by and between the Developer and a Lender that evidence a Loan and the security for repayment of such Loan.

(m) **“Developer’s Title Notice”** means and refers to a written notice from Developer to City indicating Developer’s acceptance of the state of the title to the Property, as described in the Preliminary Report or Supplemental Report, or Developer’s disapproval of specific matters shown in Schedule B of the Preliminary Report or Supplemental Report, as exceptions to coverage under the proposed Title Policy for the Property, describing in suitable detail the actions that Developer reasonably believes are necessary to obtain Developer’s approval of the state of the title to the Property.

(n) **“Developer’s Title Notice Waiver”** means and refers to a written notice from Developer to City waiving Developer’s previous disapproval in the Developer’s Title Notice of specific matters shown in Schedule B of the Preliminary Report or in the Supplemental Report as exceptions to coverage under the proposed Title Policy for the Property.

(o) **“Due Diligence Investigations”** means and refers to Developer’s due diligence investigations of the Property to determine the condition of the Property and the suitability of the Property for development or operation of the Project, and such other matters as Developer may deem relevant.

(p) **“Due Diligence Investigation Conclusion Notice”** means and refers to a written notice of Developer delivered to both City and the Escrow Holder, prior to the end of the Due Diligence Period, indicating Developer’s acceptance of the Property or indicating Developer’s rejection of the Property and refusal to accept a conveyance of fee title to the Property, describing in reasonable detail the actions or circumstances that Developer reasonably believes are necessary to allow Developer to accept the Property; provided, however, that Developer may, in its sole and absolute discretion, determine not to accept the Property without identifying any such actions or circumstances.

(q) **“Due Diligence Period”** means and refers to the time period of one hundred eighty (180) continuous days commencing on the day immediately following the Escrow Opening Date.

(r) **“Earnest Money Deposit”** means and refers to the amount of Fifty Thousand Dollars (\$50,000), in cash or other immediately available funds.

(s) **“Entitlements”** means and refers to all of the discretionary entitlements, permits and approvals required for the development of the Project.

(t) **“Entitlement Approval Date”** means the date that all of the Entitlements have been approved by each required Governmental Agency and all appeal and protest periods have expired with no appeals or protests (including litigation) taken or filed (**“Entitlement Claims”**), or, if any are so taken or filed, then upon the resolution of the Entitlement Claims upon terms acceptable to Developer.

(u) **“Environmental Claims”** means and refers to any and all claims, demands, damages, losses, liabilities, obligations, penalties, fines, actions, causes of action, judgments, suits, proceedings, costs, disbursements and expenses, including, without limitation, attorney fees, disbursements and costs of attorneys, environmental consultants and other experts, and all foreseeable and unforeseeable damages or costs of any kind or of any nature whatsoever directly or indirectly relating to or arising from any Environmental Matters existing or occurring during or arising from Developer’s Due Diligence Investigations, Developer’s ownership or occupancy of the Property or Developer’s construction of the Project.

(v) **“Environmental Laws”** means and refers to all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any governmental authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance, or pertaining to occupational health or industrial hygiene (to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to any Hazardous Substance on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may, at any later time, be in effect, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (**“CERCLA”**) [42 U.S.C. Section 9601 *et seq.*]; the Resource Conservation and Recovery Act of 1976 (**“RCRA”**) [42 U.S.C. Section 6901 *et seq.*]; the Clean Water Act, also known as the Federal Water Pollution Control Act (**“FWPCA”**) [33 U.S.C. Section 1251 *et seq.*]; the Toxic Substances Control Act (**“TSCA”**) [15 U.S.C. Section 2601 *et seq.*]; the Hazardous Materials Transportation Act (**“HMTA”**) [49 U.S.C. Section 1801 *et seq.*]; the Insecticide, Fungicide, Rodenticide Act [7 U.S.C. Section 6901 *et seq.*]; the Clean Air Act [42 U.S.C. Section 7401 *et seq.*]; the Safe Drinking Water Act [42 U.S.C. Section 300f *et seq.*]; the Solid Waste Disposal Act [42 U.S.C. Section 6901 *et seq.*]; the Surface Mining Control and Reclamation Act [30 U.S.C. Section 101 *et seq.*]; the Emergency Planning and Community Right to Know Act [42 U.S.C. Section 11001 *et seq.*]; the Occupational Safety and Health Act [29 U.S.C. Section 655 and 657]; the California Underground Storage of Hazardous Substances Act [Health and Safety Code Section 25280 *et seq.*]; the California Hazardous Substances Account Act [Health and Safety Code Section 25300 *et seq.*]; the California Safe Drinking Water and Toxic Enforcement Act [Health and Safety Code Section 24249.5 *et seq.*]; the Porter-Cologne Water Quality Act [Water Code Section 13000 *et seq.*] together with any amendments of, or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation, now in effect or later enacted, that pertains to occupational health or industrial hygiene, and only to the extent the occupational health or industrial hygiene laws, ordinances, or regulations relating to any Hazardous Substance on, under, or about the Property, or the regulation or protection of the

environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

(w) **“Environmental Matters”** means and refers to any of the following:

(1) The presence of any Hazardous Substance on, in, under, from or affecting all or any portion of the Property;

(2) The storage, holding, handling, release, threatened release, discharge, generation, leak, abatement, removal or transportation of any Hazardous Substance on, in, under, from or affecting the Property;

(3) The violation of any law, rule, regulation, judgment, order, permit, license, agreement, covenant, restriction, requirement or the like by Developer, its agents or contractors, relating to or governing in any way Hazardous Substances on, in, under, from or affecting the Property;

(4) The failure of Developer, its agents or contractors, to properly complete, obtain, submit and/or file any and all notices, permits, licenses, authorizations, covenants and the like in connection with Developer’s activities on the Property;

(5) The implementation and enforcement by Developer, its agents or contractors of any monitoring, notification or other precautionary measures that may, at any time, become necessary to protect against the release, potential release or discharge of any Hazardous Substance on, in, under, from or affecting the Property;

(6) The failure of Developer, its agents or contractors, in compliance with all applicable Environmental Laws, to lawfully remove, contain, transport or dispose of any Hazardous Substance existing, stored or generated on, in, under or from the Property;

(7) Any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental Agency in connection with any Hazardous Substance on, in, under, from or affecting the Property or the Project or the violation of any Environmental Law relating to the Property.

(x) **“Escrow”** means and refers to an escrow, as defined in Civil Code Section 1057, that is conducted by the Escrow Holder with respect to the Property, pursuant to this Agreement.

(y) **“Escrow Closing Date”** means and refers to the earliest of: (1) a date fourteen (14) calendar days after the date that Developer is issued the first building permit for the Project, (2) one hundred eighty (180) calendar days after the Entitlement Approval Date, or (3) two hundred seventy (270) days after the City Council’s approval of this Agreement; provided, however, if any of such dates is not a business day (meaning a day that documents can be placed of record in Los Angeles County), then the applicable date shall be extended to the second such business day thereafter. Developer shall have

the right, but not the obligation and upon five (5) days advance written notice to City, to extend the Escrow Closing Date for two successive periods of one (1) month each.

(z) **“Escrow Holder”** means and refers to First American Escrow.

(aa) **“Escrow Opening Date”** means and refers to the first date on which a fully executed copy of this Agreement and the Earnest Money Deposit are deposited with the Escrow Holder.

(bb) **“Event of Default”** shall have the meaning ascribed to the term in Section 9.2.

(cc) **“FIRPTA Affidavit”** means and refers to an affidavit complying with Section 1445 of the United States Internal Revenue Code.

(dd) **“Form 593”** means and refers to a California Franchise Tax Board Form 593-W.

(ee) **“Governmental Agency”** means and refers to any and all courts, boards, agencies, commissions, offices, or authorities of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city, or otherwise), including the City, pursuant to its general police power jurisdiction, whether now or later in existence with jurisdiction over the Property or the construction of any portion of the Project.

(ff) **“Governmental Requirements”** means and refers to all codes, statutes, ordinances, laws, permits, orders, and any rules and regulations promulgated thereunder of any Governmental Agency.

(gg) **“Hazardous Substance”** means and refers to, without limitation, substances defined as a “Hazardous Substance,” “hazardous material,” “toxic substance,” “solid waste,” or “pollutant or contaminate” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601, *et seq.*; the Toxic Substances Control Act (“TSCA”) [15 U.S.C. Sections 2601, *et seq.*]; the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901, *et seq.*; those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the EPA, or any successor authority, as a Hazardous Substance [40 CFR Part 302]; and those substances defined as “hazardous waste” in Section 25117 of the California Health and Safety Code or, as a “Hazardous Substance” in Section 25316 of the California Health and Safety Code; other substances, materials, and wastes that are, or become, regulated or classified as hazardous or toxic under federal, state, or local laws or regulations and in the regulations adopted pursuant to said laws, and shall also include manure, asbestos, polychlorinated biphenyl, flammable explosives, radioactive material, petroleum products, and substances designated as a hazardous substance pursuant to 33 U.S.C. Section 1321 or listed pursuant to 33 U.S.C. Section 1317.

(hh) “**Lender**” means and refers to any person or entity making a Loan to Developer.

(ii) “**Loan**” means and refers, individually, to any loan that Developer shall obtain, the proceeds of which are to be used and applied solely to pay the reasonable costs of obtaining such loan and: (1) the Purchase Price and the other costs of acquiring the Property through the Escrow and/or (2) the costs of developing the Project.

(jj) “**Maintenance Deficiency**” shall have the meaning ascribed to the term in Section 6.4.

(kk) “**Memorandum of Agreement**” means and refers to the memorandum in substantially the form of Attachment No. 6 to this Agreement to be recorded against the Property at the Close of Escrow to provide constructive record notice of the existence and application of this Agreement to the Property.

(ll) “**Occupancy Date**” means and refers to the date on which City issues a final Certificate of Occupancy for the Project.

(mm) “**Party**” means and refers, individually, to either City or Developer, as applicable.

(nn) “**Parties**” means and refers, collectively, to City and Developer.

(oo) “**PCO Report**” means and refers to a preliminary change of ownership report required under California Revenue and Taxation Code Section 480.3.

(pp) “**Permitted Transfer**” means and refers to any of the following types of Transfers by Developer, where the Person to which such Transfer is made, acquires the Property (if such Permitted Transfer occurs after the Closing) and expressly assumes the obligations of Developer under this Agreement in a written instrument satisfactory to the City:

(1) Any Transfer of stock or equity of Developer that does not change management or operational control of the Property or the Project or is less than a 49% interest, as set forth in Section (1) of the definition of Transfer.

(2) Any Transfer of any interest in Developer irrespective of the percentage of ownership (i) to any other owner of any interest in Developer; or (ii) to any Affiliate, or (iii) to any other Person in which any holder of an interest (including any beneficial interest) in Developer as a manager, officer or partner or in which any of the aforementioned is a shareholder, member or partner (including a beneficial owner).

(3) The pledge of any interest in the Property as security for a Loan.

(4) Any foreclosure or deed in lieu of foreclosure under the documents evidencing and securing repayment of a Loan.

(5) Any Property Transfer to an entity in which Developer (or an Affiliate) has an ownership interest and which is formed with a third party to fund the development of the Project, and the exercise of any and all remedies under the applicable entity documents.

(6) The recordation of replacement/permanent financing to replace a Loan.

(7) The granting of easements and licenses in the ordinary course of the development and ownership of the Property and the Project.

(qq) “**Person**” means and refers to any association, corporation, governmental entity or agency, individual, joint venture, joint-stock company, limited liability company, partnership, trust, unincorporated organization, or other entity of any kind.

(rr) “**Pre-Closing Liquidated Damages Amount**” means and refers to the amount of Fifty Thousand Dollars (\$50,000).

(ss) “**Preliminary Report**” means and refers to a preliminary report issued by the Title Company in contemplation of the issuance of the Title Policy, accompanied by copies of all documents listed in Schedule B of the report as exceptions to coverage under the proposed Title Policy.

(tt) “**Project**” means and refers to those certain private, commercial improvements that the Developer proposes to construct on the Property, including required and/or associated on-site and off-site improvements, construction of a plaza that is required to be and to remain available for public use, construction of various improvements to the parking areas that serve the Shopping Center, all as generally described in the Scope of Development, and all to be developed in accordance with plans and specifications approved by the City and any conditions imposed by the City in its approval of the Developer’s development application(s) related to the Project.

(uu) “**Project Completion Date**” means and refers to a date that is eighteen (18) calendar months following the date that the first building permit is issued for the Project, subject to extension for Unavoidable Delays.

(vv) “**Property**” means and refers to that certain vacant real property specifically described in Attachment No. 1 attached to this Agreement and incorporated into this Agreement by this reference.

(ww) “**Property Transfer**” means and refers to any “change in ownership,” as defined in Revenue and Taxation Code Sections 60, *et seq.*, of all or any portion of the Property.

(xx) **"Purchase Price"** shall mean and refer to the amount of Six Hundred Fifty Thousand Dollars and no cents (\$650,000.00).

(yy) **"Record," "recorded," "recording" or "recordation"** each mean and refer to recordation of the referenced document in the official records of the Recorder of the County of Los Angeles, California.

(zz) **"Release of Construction Covenants"** means and refers to the written certification of City that the Project is complete and in compliance with the terms and conditions of this Agreement, in substantially the form of Attachment No. 7 to this Agreement.

(aaa) **"Schedule of Performance"** means and refers to the schedule for the performance of certain actions by City or Developer pursuant to the terms and conditions of this Agreement, attached to this Agreement as Attachment No. 4.

(bbb) **"Scope of Development"** means and refers to the detailed description of the primary elements of the Project attached to this Agreement as Attachment No. 3.

(ccc) **"Supplemental Report"** means a supplement issued to the Preliminary Report by Title Company, accompanied by the additional documents referred to thereon.

(ddd) **"Title Company"** means and refers to First American Title Company, c/o Jeanne Gould, Sr. Escrow Officer, CEO.

(eee) **"Title Policy"** means and refers to a standard CLTA owners' policy of title insurance issued by the Title Company, with coverage in the full amount of the Purchase Price and insuring fee title to the Property vested in the Developer.

(fff) **"Transfer"** means and refers to any of the following:

(1) Any total or partial sale, assignment, conveyance, trust, power, or transfer in any other mode or form, by Developer of more than a 49% interest in Developer's interest in this Agreement, the Property, or the Project or a series of such sales, assignments and the like that, in the aggregate, result in a disposition of more than a 49% interest in Developer's interest in this Agreement, the Property, or the Project; or

(2) Any total or partial sale, assignment, conveyance, or transfer in any other mode or form, of or with respect to any interest in Developer or a series of such sales, assignments and the like that, in the aggregate, result in a disposition of more than a 49% interest in any interest in Developer; or

(3) Any merger, consolidation, sale or lease of all or substantially all of the assets of Developer or a series of such sales, assignments and the like that, in the aggregate, result in a disposition of more than a 49% interest of all or substantially all of the assets of Developer; or

(4) Any Property Transfer; or

(5) The recordation of any deed of trust, mortgage, lien or similar encumbrance against all or any portion of the Property or the Project other than a Loan.

(ggg) “**Unavoidable Delay**” means and refers to a delay in either Party performing any obligation under this Agreement, except payment of money, arising from or on account of any cause whatsoever beyond the Party’s reasonable control, despite such Party’s commercially reasonable efforts, including industry-wide strikes, unreasonable delays in obtaining governmental, utility company approvals or actions (provided, however, the Party claiming such delay makes a showing of reasonable and timely submission of all necessary materials and information, and that the response to such submittals was unusual, unreasonable and/or untimely), labor troubles or other union activities (but only to the extent such actions affect similar persons at that time and do not result from an act or omission of the Party), casualty, war, acts of terrorism or riots. Unavoidable Delay shall not include delay caused by a Party’s financial condition, illiquidity, or insolvency.

ARTICLE III

PROPERTY DISPOSITION; AS-IS SALE

Section 3.1 Purchase and Sale. City shall sell the Property to Developer and Developer shall purchase the Property from City pursuant to the terms and conditions of this Agreement. For the purposes of exchanging funds and documents to complete the sale from City to Developer and the purchase by Developer from City of the Property, pursuant to the terms and conditions of this Agreement, City and the Developer agree to open the Escrow with the Escrow Holder. ARTICLE IV of this Agreement constitutes the joint escrow instructions of the Parties to the Escrow Holder for the conduct of the Escrow for the sale of the Property. Developer and City shall execute the Escrow Holder’s standard or general escrow instructions, provided, however, that the provisions of this Agreement shall be controlling, in the event of any conflict between the provisions of this Agreement and any such standard or general escrow instructions requested by the Escrow Holder.

Section 3.2 Payment of Purchase Price. As further described in this Section 3.2, Developer shall deposit the Purchase Price into the Escrow in immediately available funds, subject to a credit to Developer for the Earnest Money Deposit, as provided in this Agreement.

(a) Earnest Money Deposit. Concurrent with its opening of the Escrow, Developer shall deposit the Earnest Money Deposit into the Escrow. Upon Developer’s acceptance of the Property in a Due Diligence Investigation Conclusion Notice pursuant to Section 3.3, the Earnest Money Deposit shall be fully earned by City and the Escrow Holder shall promptly release the Earnest Money Deposit to City. Upon the Close of Escrow, the Earnest Money Deposit shall be credited to Developer toward the Purchase Price. In the event the Close of Escrow does not occur pursuant to the terms

of this Agreement, the Earnest Money Deposit shall be refundable to Developer, except upon the occurrence of an Event of Default prior to the Close of Escrow, in which case the Earnest Money Deposit shall be retained by City pursuant to Section 9.3. Notwithstanding anything in this Agreement to the contrary, a portion of the Earnest Money Deposit, in the amount of One Hundred Dollars (\$100) (the “**Independent Contract Consideration**”), shall be released immediately to City as consideration for City’s execution and delivery of this Agreement and Developer’s right to approve or disapprove any Developer contingencies set forth in this Agreement with respect to the Property. The Independent Contract Consideration is in all respects nonrefundable to Developer.

(b) At Close of Escrow. At least one (1) business days preceding the Escrow Closing Date, Developer shall deposit into the Escrow the amount of the Purchase Price, less the amount of the Earnest Money Deposit.

(c) Title Approval. As soon as practicable following the Escrow Opening Date, City shall obtain the Preliminary Report from the Title Company and deliver a copy of the Preliminary Report to Developer. In addition to the foregoing, Developer shall have a right, at its own cost, to conduct a survey of the Property. Within twenty (20) days following Developer’s receipt of the Preliminary Report, Developer shall deliver the Developer’s Title Notice to the City. If Developer fails to deliver Developer’s Title Notice to City, within twenty (20) days following Developer’s receipt of the Preliminary Report, Developer will be deemed to disapprove the status of title to the Property and refuse to accept title to the Property. Within twenty (20) days following the earlier of City’s receipt of Developer’s Title Notice or expiration of the time period provided in this Section 3.2 for delivery of Developer’s Title Notice, City shall serve City’s Title Notice Response. If the Developer’s Title Notice does not disapprove any matter in the Preliminary Report, City shall not be required to serve City’s Title Notice Response. If City does not serve City’s Title Notice Response, if necessary, within twenty (20) days following its receipt of the Developer’s Title Notice, City shall be deemed to elect not to cause any matter disapproved in the Developer’s Title Notice to be removed from the Preliminary Report or its effect to be insured against. If City elects in City’s Title Notice Response to cause the removal of any matter disapproved in Developer’s Title Notice from the Preliminary Report or its effect to be insured against, City shall cause the removal of each such matter from the Preliminary Report or insurance against its effect to be issued, prior to or concurrently with the Escrow Closing Date. Notwithstanding anything herein to the contrary, City shall be obligated to remove from record, on or before the Escrow Closing Date, any liens, claims, encumbrances, deeds of trust or mortgages encumbering the Property, except to the extent directly caused by Developer. If City elects or is deemed to have elected not to cause the removal of any matter disapproved in the Developer’s Title Notice from the Preliminary Report or its effect to be insured against, then, within ten (10) days following the earlier of Developer’s receipt of City’s Title Notice Response or the expiration of the time period provided in this Section 3.2 for delivery of City’s Title Notice Response, Developer shall either: (1) refuse to accept the title to and conveyance of the Property, or (2) waive its disapproval of any matters set forth in the Developer’s Title Notice by delivering the Developer’s Title Notice Waiver to City. Failure by Developer to deliver Developer’s Title Notice Waiver, where City’s Title Notice Response or City’s failure to

serve City's Title Notice Response indicates or results in City's election not to cause the removal of any one or more matters disapproved in Developer's Title Notice from the Preliminary Report or its effect to be insured against, within ten (10) days following Developer's receipt of City's Title Notice Response or expiration of the time period for City to deliver City's Title Notice Response under this Agreement, will be deemed Developer's continued refusal to accept the title to and conveyance of the Property, in which case either City or Developer shall have the right to cancel the Escrow and terminate this Agreement, each in their respective sole and absolute discretion, by delivery of a written notice of termination to both the other Party and the Escrow Holder, in which case the Parties and the Escrow Holder shall proceed pursuant to Section 4.10.

(d) In the event that a Supplement is issued, the Parties shall follow and otherwise abide by the same process set forth in Section 3.2(c).

Section 3.3 Developer Due Diligence Investigations.

(a) Developer shall complete all of its Due Diligence Investigations within the Due Diligence Period and shall conduct all of its Due Diligence Investigations at its sole cost and expense.

(b) City licenses, permits and authorizes Developer to enter the Property for the sole purpose of conducting Developer's Due Diligence Investigations, subject to all of the terms and conditions of this Agreement. Developer shall have the right, but not the obligation, to engage in environmental testing, soils testing and surveying on the Property. Following the conduct of any Due Diligence Investigations on the Property, Developer shall restore the Property to substantially its condition prior to the conduct of such Due Diligence Investigations.

(c) Any Due Diligence Investigations of the Property by Developer shall not unreasonably disrupt any then-existing use or occupancy of the Property or the operations of City. The activities of Developer or its agents directly or indirectly related to Developer's Due Diligence Investigations shall be subject to Developer's indemnity, defense and hold harmless obligations pursuant to Section 9.8. Prior to commencing any Due Diligence Investigations on the Property, Developer shall deliver all copies of policies or certificates of insurance required to be delivered pursuant to Section 5.11.

(d) Developer shall deliver to City and the Escrow Holder prior to the end of the Due Diligence Period a Due Diligence Investigation Conclusion Notice that either rejects the Property or unconditionally accepts the Property. If Developer does not deliver a Due Diligence Investigation Conclusion Notice unconditionally accepting the Property prior to the end of the Due Diligence Period, then Developer shall be deemed to have rejected the Property and refused to accept conveyance of title to the Property. If the Property is rejected or deemed rejected by Developer, then each of City or Developer shall have the right, in their sole and absolute discretion, to cancel the Escrow and terminate this Agreement, by delivery of a written notice of termination to the other Party and the Escrow Holder, in which case the Parties and the Escrow Holder shall proceed pursuant to Section 4.10.

Section 3.4 Developer to Obtain all Project Approvals.

(a) Following the Escrow Opening Date, City shall reasonably consent, as necessary, to Developer processing necessary entitlements, permits or applications with each Governmental Agency for development of the Project, including, as necessary, the City Manager signing any such applications on behalf of the City, as the owner of the Property.

(b) Developer shall, within the time period(s) for such actions set forth in the Schedule of Performance (subject to Unavoidable Delays), prepare and submit a complete application and any other required application, document, fee, charge or other item (including, without limitation, deposit, fund or surety) required for construction of the Project, pursuant to all Governmental Requirements, to each necessary Governmental Agency for review and approval. City's zoning, building and land use regulations (whether contained in ordinances, City's municipal code, conditions of approval or elsewhere), shall be applicable to the construction of the Project by Developer, pursuant to this Agreement. Developer acknowledges that all plans and specifications and any changes to plans and specifications for the Project shall be subject to all Governmental Requirements. No action by City with reference to this Agreement or any related documents shall be deemed to constitute a waiver of any required City permit, approval or authorization regarding the Property, the Project, Developer, any successor-in-interest of the Developer or any successor-in-interest to the Property.

(c) The approval of this Agreement by City shall not be binding on the City Council or the Planning Commission of City regarding any approvals of the Project required by such bodies. Developer obtains no right or entitlement to construct the Project by virtue of this Agreement. If any revisions of the Project are required by a Governmental Agency, Developer shall promptly make any such revisions, provided such revisions are generally consistent with the Scope of Development.

(d) Notwithstanding any provision to the contrary in this Agreement, Developer agrees to abide by and comply fully with any and all conditions of approval applicable to all approvals, permits and other governmental actions regarding the construction of the Project; provided, however, that Developer reserves its rights to challenge any illegally imposed condition of approval applicable to an approval, permit, or other governmental action regarding the construction of the Project.

(e) Developer and City agree that City shall not provide any financial assistance to Developer in connection with the construction of the Project. Developer shall be solely responsible for paying for the costs of all design work, construction, labor, materials, fees, permit, application, surety bond and other expenses associated with the Project. Developer shall pay any and all fees pertaining to the review and approval of the Project by each Governmental Agency and utility service providers, including the costs of preparation of all required construction, planning and other documents reasonably required by each Governmental Agency or utility service provider pertinent to the construction of the Project, including, but not limited to, specifications, drawings, plans, maps, permit applications, land use applications, zoning applications, environmental

review and disclosure documents and design review documents. Developer shall obtain any and all necessary governmental approvals, prior to the commencement of applicable portions of construction of the Project, and Developer shall take all necessary precautions to ensure the safety and stability of surrounding properties during the construction of the Project.

(f) Developer shall obtain all entitlements, permits and other approvals for construction of the Project from each Governmental Agency, within the time periods for such actions set forth in the Schedule of Performance, subject to any extensions of time authorized by this Agreement upon the occurrence of an Unavoidable Delay.

ARTICLE IV

JOINT ESCROW INSTRUCTIONS

Section 4.1 Opening of Escrow. City and Developer shall cause the Escrow to be opened within five (5) days following the Effective Date. Escrow Holder shall promptly confirm in writing to each of the Parties the date of the Escrow Opening Date. This ARTICLE IV shall constitute the joint escrow instructions of City and Developer to Escrow Holder for conduct of the Escrow.

Section 4.2 Conditions to Close of Escrow. The conditions set forth below in this Section 4.2 shall be satisfied or waived by the respective benefited Party on or before the Escrow Closing Date or the Party benefited by any unsatisfied condition shall not be required to proceed to close the Escrow.

(a) Developer's Conditions. Developer's obligation to purchase the Property from City on the Escrow Closing Date shall be subject to the satisfaction or waiver of each of the following conditions precedent, each of which can only be waived in writing by Developer:

(1) Developer agrees to accept the title to and conveyance of the Property, pursuant to Section 3.2;

(2) Developer has delivered its Due Diligence Investigation Conclusion Notice to both City and the Escrow Holder indicating Developer's unconditional acceptance of the condition of the Property, prior to the expiration of the Due Diligence Period;

(3) The occurrence of the Entitlement Approval Date;

(4) The Title Company is unconditionally committed to issue the Title Policy to Developer, at the Close of Escrow;

(5) City has deposited all of the items into the Escrow required by Section 4.4;

(6) Developer has reasonably approved the Escrow Holder's final estimated closing/settlement statement; and

(7) Developer has obtained the first building permit for the development of the Project.

(b) City's Conditions. City's obligation to sell the Property to Developer on or before the Escrow Closing Date shall be subject to the satisfaction or waiver of each of the following conditions precedent, which can only be waived in writing by City:

(1) Developer has deposited the Earnest Money Deposit into Escrow, pursuant to Section 3.2(a);

(2) Developer has agreed to accept the title to and conveyance of the Property, pursuant to Section 3.2(c);

(3) Developer has delivered its Due Diligence Investigation Conclusion Notice to both City and the Escrow Holder indicating Developer's unconditional acceptance of the Property, prior to the expiration of the Due Diligence Period;

(4) The occurrence of the Entitlement Approval Date;

(5) Developer has provided evidence reasonably satisfactory to City that Developer has sufficient financing, or Developer has obtained commitments for sufficient financing, to develop the Project, and any such financing for which Developer has obtained commitments shall close and be available to Developer on the Escrow Closing Date;

(6) Developer has delivered to City, at least fourteen (14) days prior to the Escrow Closing Date, a legally binding written contract between Developer and a general contractor, licensed in California, experienced in the construction of projects similar to the Project, for the construction of the Project;

(7) Developer has obtained City's prior written consent of a Parking Improvements Agreement and has entered into said agreement with the Other Owners, pursuant to Section 6.2

(8) Developer has delivered to City, at least fourteen (14) days prior to the Escrow Closing Date, a legally binding written contract between Developer and a general contractor, licensed in California, experienced in the construction of projects similar to the Parking Improvements, for the construction of the Parking Improvements;

(9) City has approved Developer's plans for the Parking Improvements, and Developer has obtained all permits and approvals required for the construction of the Parking Improvements;

(10) Developer has obtained City's prior written consent of a Maintenance Agreement and has entered into said agreement with the Other Owners, pursuant to Section 6.2;

(11) Developer has provided to City the Parking Improvements Set-Aside Funds Letter, pursuant to Section 6.2;

(12) Developer has deposited all of the items into Escrow required by Section 4.3;

(13) City has reasonably approved the Escrow Holder's final estimated closing/settlement statement;

(14) Developer has performed all of its material obligations required to be performed by Developer under this Agreement prior to Close of Escrow; and is not in default of any of its obligations under this Agreement;

(15) The representations, warranties and covenants of Developer set forth in ARTICLE VIII are true and correct in all material respects on the Effective Date and continuing through and including on the Escrow Closing Date; and

(16) Developer has delivered to City organizational documents evidencing the establishment and good standing of Developer, and the authority of Developer to enter into this Agreement and perform its obligations hereunder.

Section 4.3 Developer's Escrow Deposits. Following satisfaction or waiver of each of Developer's conditions to the Close of Escrow set forth in Section 4.2(a), at least one (1) business day prior to the Escrow Closing Date scheduled by the Escrow Holder in a writing delivered to each of the Parties, Developer shall deposit the following funds and documents into the Escrow and, concurrently, provide a copy of each such document to City:

(a) Purchase Price. The Purchase Price, less the Earnest Money Deposit, plus any additional funds required to be deposited into the Escrow by Developer under the terms of this Agreement to close the Escrow, all in immediately available funds;

(b) PCO Report. A Preliminary Change of Ownership Report executed by the authorized representative(s) of Developer;

(c) Memorandum of Agreement. The Memorandum of Agreement executed by the authorized representative(s) of Developer in recordable form; and

(d) Construction Loan Deed of Trust. A Deed of Trust securing a Loan to Developer to finance construction of the Project (if applicable), executed by the authorized representative(s) of Developer in recordable form.

Section 4.4 City's Escrow Deposits. Following satisfaction or waiver of each of City's conditions to Close of Escrow set forth in Section 4.2(b), at least one (1) business

day prior to the Escrow Closing Date scheduled by the Escrow Holder in a writing delivered to each of the Parties, City shall deposit the following funds and documents into the Escrow and, concurrently, provide a copy of each such document to Developer:

(a) City Deed. The City Deed executed by the authorized representative(s) of City in recordable form;

(b) FIRPTA Affidavit. The FIRPTA Affidavit completed and executed by the authorized representative(s) of City;

(c) Memorandum of Agreement. The Memorandum of Agreement executed by the authorized representative(s) of City in recordable form; and

(d) Form 593. A Form 593 executed by the authorized representative(s) of City.

Section 4.5 Closing Procedure. When each of Developer's Escrow deposits, as set forth in Section 4.3, and each of City's Escrow deposits, as set forth in Section 4.4, are deposited into the Escrow, the Escrow Holder shall request confirmation in writing from both City and Developer that each of their respective conditions to the Close of Escrow, as set forth in Section 4.2, are satisfied or waived. Upon the Escrow Holder's receipt of written confirmation from both City and Developer that each of their respective conditions to the Close of Escrow are either satisfied or waived, the Escrow Holder shall close the Escrow by doing all of the following:

(a) Insertion of Dates. Insert the Escrow Closing Date into the Memorandum of Agreement, as the date of such document, prior to the recordation of such document;

(b) Recordation of Documents. File the City Deed, the Memorandum of Agreement, and each Deed of Trust (as applicable) with the Office of the Recorder of the County of Los Angeles, California, for recordation in the order set forth in Section 4.7;

(c) Distribution of Recorded Documents. Distribute conformed copies of each recorded document to the Party or person designated for such distribution in Section 4.7;

(d) PCO Report. File the PCO Report with the Office of the Recorder of the County of Los Angeles, California;

(e) FIRPTA Affidavit. File the FIRPTA Affidavit with the United States Internal Revenue Service;

(f) Form 593. File the Form 593 with the State of California Franchise Tax Board;

(g) Title Policy. Obtain and deliver to Developer the Title Policy;

(h) Purchase Price. Deliver the Purchase Price to City, less the Earnest Money Deposit, and less any other charges to the account of City, and return all remaining funds held by the Escrow Holder for the account of Developer to Developer, less the Escrow closing costs, and less any other charges to the account of Developer; and

(i) Report to IRS. Following the Close of Escrow and prior to the last date on which such report is required to be filed with the Internal Revenue Service, if such report is required pursuant to Section 6045(e) of the Internal Revenue Code, the Escrow Holder shall report the gross proceeds of the purchase and sale of the Property to the Internal Revenue Service on Form 1099-B, W-9 or such other form(s) as may be specified by the Internal Revenue Service pursuant to Section 6045(e). Upon the filing of such reporting form with the Internal Revenue Service, the Escrow Holder shall deliver a copy of the filed form to City and Developer.

Section 4.6 Close of Escrow. Close of Escrow shall occur on or before the Escrow Closing Date. If for any reason the Close of Escrow has not occurred on or before the Escrow Closing Date, then any Party not then in default of this Agreement may cancel the Escrow and terminate this Agreement, without liability to the other Party or any other person for such cancellation and termination, by delivering written notice of termination to both the other Party and the Escrow Holder and, thereafter, the Parties shall proceed pursuant to Section 4.10. Without limiting the right of either Party to cancel the Escrow and terminate this Agreement pursuant to the preceding sentence, if the Escrow does not close on or before the Escrow Closing Date, and neither Party has exercised its contractual right to cancel the Escrow and terminate this Agreement before such time, then the Escrow shall close as soon as reasonably possible following the first date on which the Escrow Holder is in a position to close the Escrow, pursuant to the terms and conditions of this Agreement.

Section 4.7 Recordation and Distribution of Documents. Escrow Holder shall cause the following documents to be recorded in the official records of the Recorder of the County of Los Angeles, California, in the following order at the Close of Escrow: (i) the City Deed, (ii) the Memorandum of Agreement, (iii) each Deed of Trust (if applicable), and (iv) any other documents to be recorded through the Escrow upon the joint instructions of the Parties. The Escrow Holder shall deliver conformed copies of all documents recorded through the Escrow to City and Developer and any other person designated in the joint escrow instructions of the Parties to receive a conformed copy of each such document, each showing all recording information.

Section 4.8 Escrow Closing Costs, Taxes and Title Policy Premium. Developer shall pay all of the Escrow fees and such other costs as the Escrow Holder may charge for the conduct of the Escrow. The Escrow Holder shall notify Developer (with a copy to City) of the costs to be borne by Developer at the Close of Escrow by delivering the Escrow Holder's estimated closing/settlement statement to both City and Developer, at least, four (4) business days prior to the Escrow Closing Date. Developer shall pay the premium charged by the Title Company for the Title Policy, inclusive of any endorsements or other supplements to the coverage of the Title Policy that may be requested by Developer. Developer shall pay any and all recording fees, documentary transfer taxes

and any and all other charges, fees and taxes levied by a governmental authority relative to the conveyance of the Property through the Escrow and the cost of any endorsements or supplements to the coverage of the Title Policy requests by Developer.

Section 4.9 Escrow Cancellation Charges. If the Escrow fails to close due to City's material default under this Agreement, City shall pay all ordinary and reasonable cancellation charges relating to the Escrow and the Title Policy. If the Escrow fails to close due to Developer's material default under this Agreement, or for any reason other than the material default of City, Developer shall pay all ordinary and reasonable cancellation charges relating to the Escrow and Title Policy.

Section 4.10 Escrow Cancellation. If the Escrow is cancelled and this Agreement is terminated pursuant to a contractual right granted to a Party in this Agreement to cancel the Escrow and terminate this Agreement, other than due to the default of another Party, the Parties shall do each of the following:

(a) Cancellation Instructions. The Parties shall, within three (3) business days following receipt of the Escrow Holder's written request, execute any reasonable Escrow cancellation instructions requested by the Escrow Holder;

(b) Return of Funds and Documents. Within ten (10) days following receipt by the Parties of a settlement statement from the Escrow Holder of cancellation charges regarding the Escrow and the Title Policy, if any: (i) Developer or the Escrow Holder shall return to City any documents previously delivered by City to Developer or the Escrow Holder regarding the Escrow, (ii) City or the Escrow Holder shall return to Developer all documents previously delivered by Developer to City or the Escrow Holder regarding the Escrow; and (iii) the Escrow Holder shall return to Developer any funds deposited into the Escrow, except as otherwise provided in either Section 3.2(a) or Section 9.3, less the customary and reasonable Escrow and title order cancellation charges regarding the Escrow and the Title Policy, if any.

Section 4.11 Entitlement Claims. If any Entitlement Claims are taken or filed, then Developer shall have the right to elect to either defend the same or not defend the same, at Developer's cost. If Developer elects to so defend the same, then Developer shall appoint counsel and direct strategy. If Developer elects not to so defend, then either City or Developer shall have the right to terminate this Agreement.

ARTICLE V

PROJECT DEVELOPMENT

Section 5.1 Developer Covenant to Undertake Project. Developer covenants and agrees for itself and its successors and assigns, to and for the exclusive benefit of City, that Developer shall commence and complete the development of the Project, in a good and workmanlike manner, within the time periods for such actions set forth in the Schedule of Performance, and in conformity with the terms and conditions of this Agreement, the Scope of Development, any and all plans, specifications and similar

development documents required by this Agreement and approved by City, except for such changes as may be mutually agreed upon in writing by and between Developer and City, and all applicable laws, regulations, orders and conditions of each Governmental Agency. The covenants of this Section 5.1 shall run with the land of the Property until the Occupancy Date.

Section 5.2 Developer Changes to Project Plans and Specifications During Course of Construction. Developer shall have the right, during the course of construction of the Project, to make "Minor Field Changes" (as defined in the following sentence), without seeking the approval of City, if such changes do not affect the type of use to be conducted within all or any portion of a structure. "**Minor Field Changes**" shall be defined as those changes from the approved construction drawings, plans and specifications that: (1) have no substantial effect on the Project and are made in order to expedite, clarify or facilitate the work of construction in response to field conditions; (2) are changes to the Project's interior spaces that substantially conform to the drawings, plans, and specifications and/or are required pursuant to an applicable law by a lender or equity partner; (3) are changes that represent the selection of a particular design option or feature; (4) are changes that are required under applicable laws; and/or (5) are changes dictated by the identification of any unforeseen conditions. Nothing contained in this Section 5.2 shall be deemed to constitute a waiver of or change in any Governmental Requirements governing any such Minor Field Changes or in any approvals by any Governmental Agency otherwise required for any such Minor Field Changes.

Section 5.3 Completion of Project.

(a) On or before the Project Completion Date, Developer shall:

(1) Record a Notice of Completion, in accordance with California Civil Code Section 3093, for the entirety of the Project;

(2) Cause the Project to be inspected by each Governmental Agency and correct any defects and deficiencies that may be disclosed by any such inspection; and

(3) Cause all occupancy certificates and other licenses, permits and authorizations necessary for the operation and occupancy of the completed Project to be duly issued.

(b) City acting by and through its City Manager may extend the Project Completion Date (in addition to any Unavoidable Delays) for up to an additional ninety (90) days, in the aggregate.

(c) After commencement of the work of improvement of the Project, Developer shall not permit the work of improvement of the Project to cease or be suspended for a time period in excess of thirty (30) calendar days, either consecutively or in the aggregate, for any reason. Notwithstanding the foregoing, such thirty (30) calendar day period may be extended by the City Manager for up to an additional thirty (30) calendar days, in the aggregate.

Section 5.4 Compliance with Laws. All work performed in connection with the construction of the Project shall comply with all Governmental Requirements.

Section 5.5 Schedule of Performance. All planning, construction, and other development obligations and responsibilities of Developer related to the Project shall be initiated and completed within the times specified in the Schedule of Performance, or within such reasonable extensions of such times granted by City in writing or as otherwise provided for in this Agreement.

Section 5.6 Developer Attendance at City Meetings. Developer agrees to have one or more of its employees or consultants who are knowledgeable regarding this Agreement and the development of the Project, such that such person(s) can meaningfully respond to City staff questions regarding the progress of the Project, attend meetings with City staff or meetings of the Duarte City Council, when requested to do so by City staff.

Section 5.7 City Right to Inspect Project and Property. Officers, employees, agents and representatives of City shall have the right of reasonable access to the Property, without the payment of charges or fees, during normal construction hours, during the period of construction of the Project. Any and all officers, employees, agents or representatives of City who enter the Property shall identify themselves at the construction management office or, if none, to the apparent on-site construction supervisor on the Property, upon their entrance onto the Property, and shall at all times be accompanied by a representative of Developer, while on the Property. Developer shall make a representative of Developer available for this purpose at all times during normal construction hours, upon reasonable advance notice from City. If in City's reasonable judgment it is necessary, City shall have the further right, from time to time, to retain a consultant or consultants to inspect the Project and verify compliance by Developer with the provisions of this Agreement. Developer acknowledges and agrees that any such City inspections are for the sole purpose of protecting City's rights under this Agreement, are made solely for City's benefit, may be superficial and general in nature, and are for the purposes of informing City of the progress of the Project and the conformity of the Project with the terms and conditions of this Agreement, and that Developer shall not be entitled to rely on any such inspection(s) as constituting City's approval, satisfaction or acceptance of any materials, workmanship, conformity of the Project with this Agreement or otherwise. Developer agrees to make its own regular inspections of the work of construction of the Project to determine that the quality of the Project and all other requirements of the work of construction of the Project are being performed in a manner satisfactory to Developer.

Section 5.8 Construction in Compliance with Applicable Laws.

(a) Developer shall be solely responsible, expressly or impliedly and legally and financially, for determining and effectuating compliance with all applicable federal, state and local public works requirements, prevailing wage laws, and labor laws and standards, and City makes no representation, either legally and/or financially, as to the applicability or non-applicability of any federal, state and local laws to Developer's

construction of the Project. Developer expressly, knowingly and voluntarily acknowledges and agrees that City has not previously represented to Developer or to any representative, agent or affiliate of Developer, or any contractor(s) or any subcontractor(s) for the construction or development of the Project, in writing or otherwise, in a call for bids or otherwise, that the work and construction of the Project is (or is not) a "public work," as defined in Section 1720 of the Labor Code or under the Davis-Bacon Act, 40 U.S.C. Section 3141, et seq., and the regulations promulgated thereunder set forth at 29 CFR Part 1 (collectively, "**Davis-Bacon**").

(b) Developer knowingly and voluntarily agrees that Developer shall have the obligation to provide any and all disclosures or identifications as and to the extent required by Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation. Developer shall indemnify, protect, pay for, defend and hold harmless City, with legal counsel reasonably acceptable to City from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorney's fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction (as defined by applicable law) and/or operation of the Project, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (i) the noncompliance by Developer or its contractor with any applicable local, state and/or federal law or regulation, including, without limitation, any applicable federal and/or state labor laws or regulations (including, without limitation, if applicable, the requirement to pay state and/or federal prevailing wages and hire apprentices); (ii) the implementation of Section 1781 of the Labor Code and/or of Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation; and/or (iii) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation. It is agreed by the Parties that, in connection with the development and construction (as defined by applicable law or regulation) of the Project, including, without limitation, any and all public works (as defined by applicable law or regulation), Developer shall bear all risks of payment or non-payment of prevailing wages under applicable federal, state and local law or regulation and/or the implementation of Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, and/or any other similar law or regulation. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the construction and development of the Project.

"Increased costs," as used in this Section 5.8, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time.

DEVELOPER, ON BEHALF OF ITSELF, ITS SUCCESSORS, AND ASSIGNS, WAIVES AND RELEASES CITY FROM ANY RIGHT OF ACTION THAT MAY BE AVAILABLE TO ANY OF THEM PURSUANT TO LABOR CODE SECTION 1781. DEVELOPER ACKNOWLEDGES THE PROTECTIONS OF CIVIL CODE SECTION 1542 RELATIVE TO THE WAIVER AND RELEASE CONTAINED IN THIS SECTION 5.8, WHICH READS AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

BY INITIALING BELOW, DEVELOPER KNOWINGLY AND VOLUNTARILY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES OF THIS SECTION 5.8:

Developer's Initials

Section 5.9 AS-IS SALE; RELEASE

(a) Developer shall rely solely and exclusively upon the results of its Due Diligence Investigations of the Property, including, without limitation, investigations regarding geotechnical soil conditions, compliance with applicable laws pertaining to the use of the Property by Developer and any other matters relevant to the condition or suitability of the Property for the Project, as Developer may deem necessary or appropriate. City makes no representation or warranty to Developer relating to the condition of the Property or suitability of the Property for any intended use or development by Developer.

(b) Developer shall accept all conditions of the Property, without any liability of City whatsoever, upon Developer's acceptance of the Property indicated in its Due Diligence Investigation Conclusion Notice. Developer's delivery of its Due Diligence Investigation Conclusion Notice indicating Developer's unconditional acceptance of the Property shall evidence Developer's unconditional and irrevocable acceptance of the Property in the Property's AS IS, WHERE IS, SUBJECT TO ALL FAULTS CONDITION, WITHOUT WARRANTY AS TO QUALITY, CHARACTER, PERFORMANCE OR CONDITION and with full knowledge of the physical condition of the Property, all zoning, other land use laws and other Governmental Requirements affecting the Property, and of the conditions, restrictions, encumbrances and all matters of record relating to the Property. Developer's delivery of its Due Diligence Investigation Conclusion Notice indicating Developer's unconditional acceptance of the Property shall constitute Developer's representation and warranty to City that Developer has received assurances acceptable to Developer by means independent of City or any agent of City of the truth of all facts material to Developer's acquisition of the Property pursuant to this Agreement, and that the Property is being acquired by Developer as a result of its own knowledge, inspection and investigation of the Property and not as a result of any representations made by City or any employee, official, consultant or agent of City relating to the condition of the Property, unless such statement or representation is expressly and specifically set forth in this Agreement. City hereby expressly and specifically disclaims any express or implied warranties regarding the Property.

DEVELOPER, ON BEHALF OF ITSELF, ITS SUCCESSORS, AND ASSIGNS, WAIVES AND RELEASES CITY FROM ANY RIGHT OF ACTION THAT MAY BE AVAILABLE TO ANY OF THEM WITH RESPECT TO THE CONDITION OF THE PROPERTY. DEVELOPER ACKNOWLEDGES THE PROTECTIONS OF CIVIL CODE SECTION 1542 RELATIVE TO THE WAIVER AND RELEASE CONTAINED IN THIS SECTION 5.9, WHICH READS AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

BY INITIALING BELOW, DEVELOPER KNOWINGLY AND VOLUNTARILY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES OF THIS SECTION 5.9:

Developer's Initials

Section 5.10 Environmental Indemnity of City by Developer. On and after the Escrow Closing Date, Developer agrees, at its sole cost and expense, to fully indemnify, protect, hold harmless, and defend (with counsel selected by Developer and approved by City) City and City Personnel, and each of them, from and against any and all claims, demands, damages, losses, liabilities, obligations, penalties, fines, actions, causes of action, judgments, suits, proceedings, costs, disbursements and expenses, including, without limitation, attorney fees, disbursements and costs of attorneys, environmental consultants and other experts, and all foreseeable and unforeseeable damages or costs of any kind or of any nature whatsoever (collectively, "**Environmental Losses**") that may, at any time, be imposed upon, incurred or suffered by, or claimed, asserted or awarded against, City directly or indirectly relating to or arising from any of the following "**Environmental Matters**" occurring during and/or arising from Developer's ownership of the Property or construction or operation of the Project:

(a) the presence of Hazardous Substances on, in, under, from or affecting all or any portion of the Property or the Project.

(b) The storage, holding, handling, release, threatened release, discharge, generation, leak, abatement, removal or transportation of any Hazardous Substances on, in, under, from or affecting the Property or the Project.

(c) The violation of any law, rule, regulation, judgment, order, permit, license, agreement, covenant, restriction, requirement or the like by Developer, its agents or contractors, relating to or governing in any way Hazardous substances on, in, under, from or affecting the Property or the Project.

(d) The failure of Developer, its agents or contractors, to properly complete, obtain, submit and/or file any and all notices, permits, licenses, authorizations, covenants and the like in connection with Developer's activities on the Property or regarding the Project.

(e) The implementation and enforcement by Developer, its agents or contractors of any monitoring, notification or other precautionary measures that may, at any time, become necessary to protect against the release, potential release or discharge of Hazardous Substances on, in, under, from or affecting the Property or the Project.

(f) The failure of Developer, its agents or contractors, in compliance with all applicable Environmental Laws, to lawfully remove, contain, transport or dispose of any Hazardous Substances existing, stored or generated on, in, under or from the Property or the Project.

(g) Any investigation, inquiry, order, hearing, action or other proceeding by or before any governmental agency in connection with any Hazardous Substances on, in, under, from or affecting the Property or the Project or the violation of any Environmental Law relating to the Property or the Project.

(h) On and after the Escrow Closing Date, Developer shall pay to City all costs and expenses including, without limitation, reasonable attorney's fees and costs, incurred by City in connection with enforcement of the aforementioned environmental indemnity.

Section 5.11 Insurance. On and after the Escrow Closing Date, Developer, to protect City, and City Personnel against any and all claims and liability for death, injury, loss and damage resulting from Developer's actions in connection with this Agreement, the Property and the Project, shall secure and maintain the insurance coverage, described in and required by this Section 5.11. Developer shall pay any deductibles and self-insured retentions under all insurance policies issued in satisfaction of the terms of this Agreement.

(a) Workers' Compensation Insurance Requirement. On and after the Escrow Closing Date, Developer shall submit written proof that Developer is insured against liability for workers' compensation in accordance with the provisions of Section 3700 of the Labor Code. By executing this Agreement, Developer makes the following certification, required by Section 1861 of the Labor Code:

"I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' 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 the Agreement."

(1) On and after the Escrow Closing Date, Developer shall require each contractor and sub-contractor performing work on the Project or the Property to

provide workers' compensation coverage for all of such contractor's or sub-contractor's employees, unless the contractor's or sub-contractor's employees are covered by workers' compensation insurance provided by Developer. If any class of employees engaged in work or services performed in connection with the Project is not covered by Labor Code Section 3700, Developer shall provide and/or require each contractor or sub-contractor to provide adequate workers' compensation insurance covering such employees.

(b) Liability and Permanent Insurance Requirements.

(1) On and after the Escrow Closing Date, Developer shall maintain in full force and effect, until the Project Completion Date, subject to subsection (e), the following insurance coverage:

Commercial General Liability Insurance coverage, including, but not limited to, Premises-Operations, Contractual Liability Insurance (specifically covering the indemnity obligations of Developer pursuant to this Agreement), Products-Completed Operations Hazards, Personal Injury (including bodily injury and death), and Property Damage for liability arising out of the construction of the Project and/or the Developer's operation of the Property or the Project.

(i) Commercial general liability insurance coverage shall have minimum limits for Bodily Injury and Property Damage liability of THREE MILLION DOLLARS (\$3,000,000) each occurrence and FIVE MILLION DOLLARS (\$5,000,000) aggregate.

(ii) Automobile Liability Insurance against claims of Personal Injury (including bodily injury and death) and Property Damage covering all owned, leased, hired and non-owned vehicles used by Developer with minimum limits for Bodily Injury and Property Damage of ONE MILLION DOLLARS (\$1,000,000) each occurrence and TWO MILLION DOLLARS (\$2,000,000) aggregate. Such insurance shall be provided by a business or commercial vehicle policy.

(iii) If Developer hires a consultant to provide design services, such as architectural or engineering services in connection with the Project, or any portion of the Project, Developer shall require each such consultant to provide Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, the performance of such design services, with limits of not less than ONE MILLION DOLLARS (\$1,000,000).

(c) On and after the Escrow Closing Date, Developer shall require that each contractor performing work on the Project maintain the following insurance coverage, as specified below:

(1) Each General Contractor shall maintain Builder's Risk Insurance to be written on an All Risk Completed Value form, in an aggregate amount equal to 100% of the completed insurable value of the Project.

(2) Each General Contractor and each sub-contractor shall maintain Commercial General Liability Insurance with limits of not less than THREE MILLION DOLLARS (\$3,000,000) per occurrence and FIVE MILLION DOLLARS (\$5,000,000) aggregate to protect the Developer during the construction of the Project from claims involving bodily injury and/or death and damage to the property of others.

(3) Each General Contractor and each sub-contractor shall maintain Automobile Liability Insurance against claims of personal injury (including bodily injury and death) and property damage covering all owned, leased, hired and non-owned vehicles used in the performance of the contractor's obligations with minimum limits for bodily injury and property damage of ONE MILLION DOLLARS (\$1,000,000) each occurrence and TWO MILLION DOLLARS (\$2,000,000) aggregate. Such insurance shall be provided by a business or commercial vehicle policy.

(d) The Commercial General Liability Insurance required in subsection (b)(1)(i) above, shall include an endorsement naming City and City Personnel as additional insureds for liability arising out of this Agreement and any operation related to this Agreement.

(e) If any of the insurance coverage required under this Agreement is written on a claims-made basis, such insurance policy shall provide an extended reporting period continuing through the fifth (5th) anniversary of the Project Completion Date. The requirements of this subsection (e) shall survive any expiration or termination of this Agreement and the recordation of the City Deed and City's issuance of the Release of Construction Covenants for the Project.

(f) Receipt by City of evidence of insurance that does not comply with the above requirements shall not constitute a waiver of the insurance requirements of this Agreement.

(g) Subject to subsection (e), the above required insurance coverage shall be maintained by Developer or its contractors, as required by the terms of this Agreement, shall not be reduced, modified, or canceled without, at least, thirty (30) days prior written notice to City. Also, phrases such as "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company" shall not be included in the cancellation wording of any Certificates of Insurance or any coverage for City and City Personnel. Developer shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits are exhausted or upon insolvency of the insurer that issued the policy.

(h) All insurance to be obtained and maintained by Developer under this Agreement shall be issued by a company or companies listed in the then current "Best's

Key Rating Guide” publication with a minimum of an “A; IX” rating and be admitted to business in the State of California by the State of California Department of Insurance.

(i) City will not accept self-insurance in satisfaction of the insurance requirements of this Section 5.11.

(j) All insurance obtained and maintained by Developer in satisfaction of the requirements of this Agreement shall be primary to and not contributing to any insurance maintained by any of City and City Personnel.

(k) Insurance coverage in the minimum amounts set forth in this Agreement shall not be construed to relieve Developer of any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude City from taking such other actions as are available to it under any other provision of this Agreement or otherwise at law.

(l) Failure by Developer to maintain all insurance required by this Agreement in effect at all times shall be an Event of Default by Developer. City, at its sole option, may exercise any remedy available to it in connection with such an Event of Default. Additionally, City may purchase such required insurance coverage and City shall be entitled to immediate payment from Developer for any premiums and associated costs paid by City for such insurance coverage. Any election by City to purchase or not to purchase insurance for Developer shall not relieve Developer of its obligation to obtain and maintain the insurance coverage required by this Agreement.

Section 5.12 Release of Construction Covenants.

(a) Following the completion of the Project, excluding any normal and minor building “punch-list” items to be completed by Developer, and upon written request from Developer for issuance of a Release of Construction Covenants, City shall inspect the Project to determine whether or not the Project has been completed in substantial conformance with this Agreement. If City determines that the Project is complete and in substantial conformance with this Agreement, which determination shall not be unreasonably withheld, City shall furnish Developer with a Release of Construction Covenants for the Project. If City determines that the Project is not in substantial conformance with this Agreement, City shall send written notice of each non-conformity to Developer, pursuant to Section 5.12(c).

(b) A Release of Construction Covenants shall be evidence of City’s conclusive determination of satisfactory completion of the Project pursuant to the terms of this Agreement. After the recordation of a Release of Construction Covenants for the Project, any person then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Property improved with the Project shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement regarding construction of the Project, except that such person shall be bound by any reservations, covenants, conditions, restrictions and other interests affecting the Property pursuant to this Agreement.

(c) If City in its reasonable discretion fails or refuses to issue a Release of Construction Covenants for the Project, following a written request from Developer, City shall, within fifteen (15) calendar days following City's receipt of Developer's written request or within three (3) calendar days after the next regular meeting of the City Council, whichever date occurs later, provide Developer with a written statement setting forth in reasonable detail the reasons for City's failure or refusal to issue a Release of Construction Covenants. The statement shall also contain City's opinion of the action(s) Developer must take to obtain a Release of Construction Covenants from City. If the reason for Developer's failure to complete the Project is confined to the immediate unavailability of specific items or materials for construction or landscaping at a price reasonably acceptable to Developer or other minor building "punch-list" items, City may issue its Release of Construction Covenants upon the posting of a bond or irrevocable standby letter of credit by Developer in a form reasonably acceptable to City in an amount representing the fair value of the work on the Project remaining to be completed, as reasonably determined by City. If City fails to provide such written statement, within the specified time period, Developer shall be deemed, conclusively and without further action of City, to have satisfied the requirements of this Agreement with respect to the Project, as if a Release of Construction Covenants had been issued by City pursuant to this Agreement.

(d) A Release of Construction Covenants shall not be deemed to constitute a Notice of Completion under Section 3093 of the California Civil Code, nor shall it act to terminate the continuing covenants, restrictions or conditions contained in the City Deed or any other instruments recorded against the Property or set forth in this Agreement or otherwise. A Release of Construction Covenants is not evidence of the compliance of the Project with any Governmental Requirements. A Release of Construction Covenants shall not evidence the satisfaction of any obligation of Developer to City under this Agreement or otherwise, except Developer's obligation to construct the Project.

ARTICLE VI

USE AND OPERATION OF THE PROJECT

Section 6.1 Approved Restaurants. Subject to the terms in this Section 6.1, Developer may develop and use the Property for any commercial use that is permitted by the Town Center Specific Plan. Developer has advised City that Developer has executed letters of intent for development and operation within the Property of a Chipotle Mexican Grill restaurant and a Five Guys Burgers and Fries restaurant (collectively, the "**Approved Restaurants**"). With respect to the initial development and operation of the Property, Developer shall be required to obtain City's written consent prior to entering into a letter of intent or any other agreement for the development and operation of any restaurant that is not an Approved Restaurant, including, without limitation, a "fast food" restaurant, within the Property. Parking Improvements and Maintenance.

(a) A component of the Project consists of Developer's construction of improvements to the parking areas that serve the Shopping Center (the "**Parking Areas**"). The Parking Areas are depicted and identified in Attachment No. 8, which is attached hereto and incorporated herein by this reference (the "**Parking Areas Exhibit**"). Prior to, and as a condition to the Close of Escrow, Developer shall negotiate and enter into an agreement with the Other Owners (the "**Parking Improvements Agreement**"), pursuant to which, (1) the Other Owners will allow Developer to enter upon and access the portion of the Parking Areas owned by each of them for purposes of performing the "**Parking Improvements**," which consist of repaving the Parking Areas, and installing landscaping, irrigation, and lighting improvements and facilities within the Parking Areas, as further depicted on the Parking Areas Exhibit, and (2) Developer will agree to perform the Parking Improvements, at Developer's sole cost and expense. Developer shall submit the Parking Improvements Agreement to City for review and approval prior to entering into the same. The Parking Improvements Agreement shall further provide that it may not be amended or terminated without the prior written consent of City, and that City is a third party beneficiary with the right, but not the obligation, to enforce the terms thereof. Developer shall complete the Parking Improvements within the time set forth in the Schedule of Performance.

(b) Prior to, and as a condition to the Close of Escrow, Developer shall provide to City a letter from Developer's Lender and addressed to City (the "**Parking Improvements Set-Aside Funds Letter**") committing to City that the Lender will (i) set aside funds in the amount of Four Hundred Sixty-Eight Thousand Six Hundred Twenty-Four Dollars (\$468,624) (the "**Parking Improvements Funds**") for use solely to fund the Parking Improvements, (ii) disburse to Developer or Developer's contractor portions of the Parking Improvements Funds only as portions of the Parking Improvements are completed, to pay for such work, and (iii) release to City all of the undisbursed Parking Improvements Funds if Developer fails to timely complete the Parking Improvements, following receipt of a notice of default from City and expiration of a cure period pursuant to the terms of Section 9.1 below. Developer shall promptly notify City of any such disbursements, including the amount of the disbursement, and the Parking Improvements work funded by said disbursement. Any Parking Improvements Funds remaining after Developer's completion of the Parking Improvements, as determined by a City inspector, may be disbursed to Developer to fund other components of the Project. If the costs of the Parking Improvements exceed the budgeted amount, Developer shall be responsible to negotiate with Developer's contractor for the completion of the Parking Improvements and/or identify and designate additional Parking Improvement Funds to be set aside by Developer's Lender, in the amount necessary to complete the Parking Improvements. The Parking Improvements Set-Aside Letter shall include an acknowledgement and consent to the foregoing process.

(c) Prior to, and as a condition to the Close of Escrow, Developer shall negotiate and enter into an agreement with the Other Owners for the regular maintenance and repair of the Parking Facilities that allocates costs among Developer and the Other Owners in proportion to the portion of the Shopping Center owned by each respective party, or on such other basis as agreed to by the parties (the "**Parking Maintenance Agreement**"). Developer shall submit the Parking Maintenance Agreement to City for

review and approval prior to entering into the same. The Parking Maintenance Agreement shall further provide that it may not be amended or terminated without the prior written consent of City, and that City is a third party beneficiary with the right, but not the obligation, to enforce the terms thereof.

Section 6.3 Facade Improvement Program. Developer shall use its commercially reasonable efforts to establish a facade improvement program for purposes of rehabilitating the facades of each of the existing buildings within the Shopping Center (the "**Facade Improvement Program**"). Within the time set forth in the Schedule of Performance, Developer shall submit to City for review and approval a concept plan for the Facade Improvement Program. Developer shall diligently engage in negotiations with the Other Owners with respect to the Facade Improvement Program, and shall provide regular updates to City regarding the status of said discussions and implementation plans for the Facade Improvement Program. Maintenance Condition of the Property. Developer for itself, its successors and assigns, covenants and agrees that on and after the Escrow Closing Date:

(a) The areas of the Property that are subject to public view (including all existing and future improvements, paving, walkways, landscaping, exterior signage and ornamentation) shall be maintained in good repair and a neat, clean and orderly condition, ordinary wear and tear excepted. If, at any time within ten (10) years following the Close of Escrow, there is an occurrence of an adverse condition on any area of the Property that is subject to public view in contravention of the general maintenance standard described above (a "**Maintenance Deficiency**"), then City shall notify Developer in writing of the Maintenance Deficiency. If Developer fails to cure or commence and diligently pursue to cure the Maintenance Deficiency within thirty (30) days of its receipt of notice of the Maintenance Deficiency, Developer shall be in default of this Agreement, and City shall have the right, but not the obligation, to enter the Property and perform all acts necessary to cure the Maintenance Deficiency. Any sum expended by City for the abatement of a Maintenance Deficiency on the Property as authorized by this Section 6.4(a), plus a ten percent (10%) administrative fee, shall be reimbursed by Developer within five (5) business days after Developer's receipt of a written invoice from City. Notwithstanding any legal rights City may otherwise have, City shall not have the right to file a lien against the Property to recover the amounts due to City pursuant to this paragraph.

(b) Graffiti, as this term is defined in Government Code Section 38772, that has been applied to any exterior surface of a structure or improvement on the Property that is visible from any public right-of-way adjacent or contiguous to the Property, shall be removed by Developer by either painting over the evidence of such vandalism with a paint that has been color-matched to the surface on which the paint is applied, or graffiti may be removed with solvents, detergents or water, as appropriate. If any such graffiti is not removed within 72 hours following the time of the discovery of the graffiti, Developer shall be in default of this Agreement, and City shall have the right to enter the Property and remove the graffiti, without notice to Developer. Any sum expended by City for the removal of graffiti from the Project, as authorized by this Section 6.4(b), in an amount not to exceed \$250 per entry by City, shall be reimbursed by Developer within

five (5) business days after Developer's receipt of a written invoice from City. Notwithstanding any legal rights City may otherwise have, City shall not have the right to file a lien against the Property to recover the amounts due to City pursuant to this paragraph.

(c) The provisions of this Section 6.4, shall be a covenant running with the land of the Property for a term of ten (10) years following the date of the Close of Escrow and shall be set forth in the City Deed, and shall be enforceable by City. Nothing in the foregoing provisions of this Section 6.4 shall be deemed to preclude Developer from making any alteration, addition, or other change to any structure or improvement or landscaping on the Property, provided that any such changes comply with applicable zoning and building regulations of City.

Section 6.5 Encumbrances and Liens. Developer shall not record and shall not allow to be recorded against the Property or any portion of the Property any mortgage, trust deed, deed of trust, encumbrance or lien not expressly authorized by this Agreement. Developer shall remove, or shall have removed, any unauthorized lien, encumbrance, mortgage, levy or attachment made or recorded against the Property or any portion of the Property, or shall assure the satisfaction thereof to the satisfaction of City. The covenants of Developer set forth in this Section 6.5 regarding the placement of any unauthorized mortgage, trust deed, deed of trust, encumbrance or lien on the Property shall only remain in effect until the Project Completion Date.

Section 6.6 Nondiscrimination. In addition to any other nondiscrimination provisions applicable to the Property under federal, state or local law, Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person, or group of persons on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any part thereof, nor shall Developer, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Property, or any part thereof. The foregoing covenants shall run with the land.

Developer agrees for itself and any successor in interest that Developer shall refrain from restricting the rental, sale, or lease of any portion of the Property, or contracts relating to the Property, on the basis of race, color, creed, religion, sex, marital status, ancestry, or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. *In deeds*: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any

person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

2. *In leases:* "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: "That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased. The foregoing covenants shall run with the land"

3. *In contracts:* "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

Section 6.7 Effect of Covenants. The covenants established in this Agreement shall, without regard to technical classification and designation, be binding for the benefit and in favor of City and City's successors and assigns, and any successor in interest to the Property, together with any property acquired by Developer pursuant to this Agreement, or any part thereof. The covenants against discrimination shall remain in effect in perpetuity.

Section 6.8 Taxes and Assessments. Developer shall pay prior to delinquency all real estate taxes and assessments on the Property, so long as Developer retains any ownership interest therein. Developer shall remove or have removed any levy or

attachment made on the Property or any part thereof, or assure the satisfaction thereof within a reasonable time but in any event prior to any sale or transfer of all or any portions thereof. Notwithstanding the above, Developer shall have the right to contest the validity or amounts of any tax, assessment, or encumbrance available to Developer in respect thereto, and nothing herein shall limit the remedies available to Developer in respect thereto.

Section 6.9 Developer Covenant to Defend this Agreement. Developer acknowledges that City is a "public entity" and/or a "public agency" as defined under applicable California law. Therefore, City must satisfy the requirements of certain California statutes relating to the actions of public entities, including, without limitation, CEQA. Also, as a California municipal corporation, City's action in approving this Agreement may be subject to proceedings to invalidate this Agreement or mandamus. Developer assumes the risk of delays and damages that may result to Developer from any third-party legal actions related to City's approval of this Agreement or the pursuit of the activities contemplated by this Agreement, even in the event that an error, omission or abuse of discretion by City is determined to have occurred. If a third-party files a legal action regarding City's approval of this Agreement or the pursuit of the activities contemplated by this Agreement, City may terminate this Agreement on thirty (30) days written notice to Developer of City's intent to terminate this Agreement, referencing this Section 6.9, without any further obligation to perform the terms of this Agreement and without any liability to Developer resulting from such termination, unless Developer unconditionally agrees to indemnify and defend City and City Personnel, with legal counsel acceptable to City, against such third-party legal action, as provided hereinafter in this Section 6.9. Within 30 days of receipt of City's notice of intent to terminate this Agreement, as provided in the preceding sentence, Developer may in Developer's sole and absolute discretion offer to defend City, with legal counsel acceptable to City, in the third-party legal action and pay all of the court costs, attorney fees, monetary awards, sanctions, attorney fee awards, expert witness and consulting fees, and the expenses of any and all financial or performance obligations resulting from the disposition of the legal action.

ARTICLE VII

RIGHTS OF HOLDERS OF APPROVED SECURITY INTERESTS IN PROPERTY

Notwithstanding anything to the contrary in this Agreement, the provisions in this article VII shall automatically terminate upon City's issuance of a Release of Construction Covenants for the Project.

Section 7.1 No Encumbrances Except Mortgages, Deeds of Trust, or Sale and Lease-Back for Development. Mortgages, deeds of trust, and sales and leases-back or any other method of financing shall be permitted before the completion of the Project only for the purpose of securing loans of funds to be used for financing the construction of the Project, if necessary, and only with City's prior written approval, which shall not be unreasonably withheld or delayed. Developer shall notify City in advance of any mortgage, deed of trust, sale and lease-back or other form of conveyance for financing if

Developer proposes to enter into the same. Developer shall not enter into any such conveyance for financing without the prior written approval of City, which approval City agrees to give if any such conveyance is given to a responsible financial or lending institution or other acceptable person or entity reasonably acceptable to City.

Section 7.2 Holder Not Obligated to Construct Project. The holder of any mortgage or deed of trust authorized by this Agreement shall not be obligated by the provisions of this Agreement to construct or complete the Project or any portion thereof, or to guarantee such construction or completion; nor shall any covenant or any other provision in this Agreement be construed so to obligate such holder. Nothing in this Agreement shall be deemed to construe, permit or authorize any such holder to devote the Property to any uses or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

Section 7.3 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure. With respect to any mortgage or deed of trust granted by Developer as provided herein, whenever City may deliver any notice or demand to Developer with respect to any breach or default by Developer in completion of construction of the Project, City shall at the same time deliver a copy of such notice or demand to each holder of record of any mortgage or deed of trust authorized by this Agreement who has previously requested such notice in writing. Each such holder shall (insofar as the rights granted by City are concerned) have the right, at its option, within thirty (30) days after the receipt of the notice, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of any such default and to add the cost thereof to the mortgage debt and the lien of its mortgage. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Project, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to City by written agreement satisfactory to City. The holder, in that event, must agree to complete, in the manner provided in this Agreement, the improvements to which the lien or title of such holder relates. Any such holder properly completing such improvement shall be entitled, upon compliance with the requirements of this Section 7.3, to a Release of Construction Covenants. It is understood that a holder shall be deemed to have satisfied the thirty (30) day time limit set forth above for commencing to cure or remedy a Developer default which requires title and/or possession of the Property (or portion of this Agreement) if and to the extent any such holder has within such thirty (30) day period commenced proceedings to obtain title and/or possession and thereafter the holder diligently pursues such proceedings to completion and cures or remedies the default.

Section 7.4 Failure of Holder to Complete Project. In any case where, thirty (30) days after the holder of any mortgage or deed of trust creating a lien or encumbrance upon the Property or any part thereof receives a notice from City of a default by Developer in completion of construction of the Project under this Agreement, and such holder has not exercised the option to construct as set forth in Section 7.3 of this Agreement, or if it has exercised the option but has defaulted hereunder and failed to timely cure such default, City may purchase the mortgage or deed of trust from the holder of the mortgage

or deed of trust, by payment to the holder of the amount of the unpaid debt, plus any accrued and unpaid interest. If the ownership of the Property has vested in the holder, City, if it so desires, shall be entitled to a conveyance of the Property from the holder to City upon payment to the holder of an amount equal to the sum of the following: (a) the unpaid mortgage, deed of trust or other security interest debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings); (b) all expenses with respect to foreclosure, including reasonable attorneys' fees and trustee's fees; (c) the net expenses, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the Property or part thereof; and (e) the costs of any authorized improvements made by such holder.

Section 7.5 Right of City to Cure Mortgage or Deed of Trust Default. In the event of a mortgage or deed of trust default or breach by Developer prior to the completion of construction of the Project or any part of this Agreement, Developer shall immediately deliver to City a copy of any mortgage holder's notice of default. If the holder of any mortgage or deed of trust has not exercised its option to construct, City shall have the right but no obligation to cure the default. In such event, City shall be entitled to reimbursement from Developer of all proper costs and expenses incurred by City in curing such default. City shall also be entitled to a lien upon the Property to the extent of such costs and disbursements. Any such lien shall be junior and subordinate to the mortgages or deeds of trust permitted pursuant to Section 7.1.

Section 7.6 Right of City to Satisfy Other Liens on the Property. After the Close of Escrow and prior to the completion of construction, and after Developer has had written notice and has failed, after a reasonable time, to challenge, cure, or satisfy any liens or encumbrances on the Property, City shall have the right but no obligation to satisfy any such liens or encumbrances.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES OF DEVELOPER

Section 8.1 Representations and Warranties by Developer. Developer makes the following representations, covenants and warranties, which shall be deemed to have been given on the Effective Date and on each date thereafter until the Project Completion Date, and acknowledges that the execution of this Agreement by City is made in material reliance by City on such covenants, representations and warranties of Developer:

(a) Developer has taken all requisite action and obtained all requisite consents in connection with entering into this Agreement, such that this Agreement is valid and enforceable against Developer in accordance with its terms and each instrument to be executed by Developer pursuant to or in connection with this Agreement will, when executed, be valid and enforceable against Developer in accordance with its terms. No approval, consent, order or authorization of, or designation or declaration of any other person, is required in connection with the valid execution, delivery or performance of this Agreement by Developer.

(b) If Developer becomes aware of any act or circumstance that would change or render incorrect, in whole or in part, any representation or warranty made by Developer under this Agreement, whether as of the date given or any time thereafter, whether or not such representation or warranty was based upon Developer's knowledge and/or belief as of a certain date, Developer will give immediate written notice of such changed fact or circumstance to City.

ARTICLE IX

DEFAULTS, REMEDIES AND TERMINATION

Section 9.1 Defaults - General.

(a) Subject to any extensions of time provided for in this Agreement, failure or delay by either Party to perform any term or provision of this Agreement within thirty (30) calendar days after receipt of written notice from the injured Party specifying such default, or if such default cannot reasonably be cured within thirty (30) days, to commence to cure, correct or remedy such default and to diligently and continuously prosecute such cure, correction or remedy to completion, shall constitute a default under this Agreement.

(b) Delay in giving such written notice shall not constitute a waiver of any default nor shall it change the time of default.

(c) Any failure or delays by either Party in asserting any of their rights and/or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either Party in asserting any of their rights and/or remedies shall not deprive either Party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert or enforce any such rights or remedies.

Section 9.2 Events of Default. In addition to other acts or omissions of Developer that may constitute a default or breach of this Agreement, the occurrence of any of the following specific events, prior to the issuance of a Release of Construction Covenants for the Project, shall constitute an "**Event of Default**" under this Agreement and shall not be subject to the provisions of Section 9.1:

(a) Any default by Developer of any of the non-monetary covenants and conditions of this Agreement that is not cured within thirty (30) days following written notice of the default to Developer from City or the expiration of an applicable shorter cure period set forth in this Agreement, or if such default cannot reasonably be cured within the applicable cure period, to commence to cure, correct or remedy such and to diligently and continuously prosecute such cure, correction or remedy to completion.

(b) Any representation, warranty or disclosure made to City by Developer regarding this Agreement or the Project is materially false or misleading at the time it is made, whether or not such representation or disclosure appears in this Agreement.

(c) Developer fails to make any payment or deposit of funds required under this Agreement, or to pay any other charge set forth in this Agreement, following seven (7) days' written notice to Developer from City of such failure.

(d) Any material deviation in the work of improvement of the Project from the approved Scope of Development, other than Minor Field Changes, without the prior written approval of City, which approval shall not be unreasonably withheld, or the appearance, during the course of initial construction, of materially defective workmanship or materials and such material defects are not corrected or substantially corrected, within thirty (30) days after receipt of written notice thereof from City to Developer, subject to a time extension as required in order to address any subcontractor disputes, design a "fix" for the defects and to allow the same to be so repaired.

(e) The construction of the Project is delayed or suspended, or the development of the Project does not proceed with reasonable due diligence, pursuant to the Schedule of Performance, subject to the occurrence of Unavoidable Delays; or the Project is not substantially completed by the Project Completion Date, subject to the occurrence of Unavoidable Delays.

(f) The Developer sells, Transfers, hypothecates, encumbers or assigns its interest in this Agreement, the Property or any portion thereof, whether voluntarily or involuntarily or by operation of law, in violation of the terms and conditions of this Agreement; it being agreed that Permitted Transfers shall not be in violation hereof.

Section 9.3 Liquidated Damages to City.

(a) UPON THE OCCURRENCE OF AN EVENT OF DEFAULT OR OTHER MATERIAL DEFAULT OF DEVELOPER UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW, CITY MAY TERMINATE THIS AGREEMENT AND CANCEL THE ESCROW, PURSUANT TO SECTION 4.10, WITHOUT ANY LIABILITY OF CITY TO DEVELOPER OR ANY OTHER PERSON ARISING FROM SUCH ACTIONS. CITY AND DEVELOPER ACKNOWLEDGE THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICAL, IF NOT IMPOSSIBLE, TO ASCERTAIN THE AMOUNT OF DAMAGES THAT WOULD BE SUFFERED BY CITY, IN THE EVENT OF A TERMINATION OF THIS AGREEMENT DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT OR OTHER MATERIAL DEFAULT OF DEVELOPER UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW. HAVING MADE DILIGENT BUT UNSUCCESSFUL ATTEMPTS TO ASCERTAIN THE ACTUAL DAMAGES CITY WOULD SUFFER, IN THE EVENT OF A TERMINATION OF THIS AGREEMENT DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT OR OTHER MATERIAL DEFAULT OF DEVELOPER UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW, CITY AND DEVELOPER AGREE THAT A REASONABLE ESTIMATE OF CITY'S DAMAGES IN SUCH EVENT IS THE EARNEST MONEY DEPOSIT OF FIFTY THOUSAND DOLLARS (\$50,000). THEREFORE, UPON THE TERMINATION OF THIS AGREEMENT BY CITY DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT OR OTHER MATERIAL DEFAULT OF DEVELOPER UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW, ESCROW HOLDER SHALL IMMEDIATELY CANCEL

THE ESCROW AND CITY SHALL BE ENTITLED TO RETAIN THE EARNEST MONEY DEPOSIT. RETENTION OF THE EARNEST MONEY DEPOSIT SHALL BE CITY'S SOLE AND EXCLUSIVE REMEDY UPON THE OCCURRENCE OF AN EVENT OF DEFAULT OR OTHER MATERIAL DEFAULT OF DEVELOPER UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW.

(b) CITY ACKNOWLEDGES THE PROTECTIONS OF CIVIL CODE SECTION 1542 RELATIVE TO THE WAIVER AND RELEASE CONTAINED IN THIS SECTION 9.3, WHICH CIVIL CODE SECTION READS AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

(c) BY INITIALING BELOW, CITY KNOWINGLY AND VOLUNTARILY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES OF THIS SECTION 9.3:

CITY'S INITIALS

Section 9.4 Developer's Limitation on Recovery of Damages Prior to Close of Escrow.

(a) IN THE EVENT OF ANY MATERIAL BREACH OF THIS AGREEMENT BY CITY PRIOR TO THE CLOSE OF ESCROW, DEVELOPER'S REMEDIES SHALL BE LIMITED TO A CHOICE BETWEEN (1) SPECIFIC PERFORMANCE OR (2) TERMINATION OF THIS AGREEMENT AND RECOVERY OF THE EARNEST MONEY DEPOSIT. DEVELOPER WAIVES ANY RIGHT TO RECOVER ANY OTHER SUMS FROM CITY ARISING FROM A MATERIAL BREACH OF THIS AGREEMENT BY CITY PRIOR TO THE CLOSE OF ESCROW. DEVELOPER ACKNOWLEDGES THE PROTECTIONS OF CIVIL CODE SECTION 1542 RELATIVE TO THE WAIVER AND RELEASE CONTAINED IN THIS SECTION 9.4, WHICH CIVIL CODE SECTION READS AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

(b) BY INITIALING BELOW, DEVELOPER KNOWINGLY AND VOLUNTARILY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES OF THIS SECTION 9.4:

DEVELOPER'S
INITIALS

Section 9.5 Legal Actions.

(a) In addition to any other rights or remedies and subject to the restrictions set forth in this Agreement, following the Close of Escrow, either Party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any default, to recover damages for any default (subject to the restriction on Developer's rights to recover monetary damages against City set forth in the final clause of this sentence), or to obtain any other remedy consistent with the purpose of this Agreement; provided, however, that notwithstanding anything in the foregoing to the contrary, in no event shall Developer be entitled to obtain monetary damages of any kind from City, including but not limited to damages for economic loss, lost profits, or any other economic or consequential damages of any kind. Such legal actions must be instituted in the Superior Court of the State of California in and for the County of Los Angeles, California, in any other appropriate court within the County of Los Angeles, California, or in the United States District Court for the Central District of California.

(b) The laws of the State of California shall govern the interpretation and enforcement of this Agreement. The Parties acknowledge and agree that this Agreement is entered into, is to be fully performed in and relates to real property located in the City of Duarte, County of Los Angeles, California.

Section 9.6 Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties as set forth in this Section 9.6 are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

Section 9.7 Attorneys' Fees. If either Party to this Agreement is required to initiate or defend litigation in any way connected with this Agreement, the prevailing Party in such litigation, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorneys' fees. If either Party to this Agreement is required to initiate or defend litigation with a third party because of the violation of any term or provision of this Agreement by the other Party, then the Party so litigating shall be entitled to reasonable attorneys' fees from the other Party to this Agreement. Attorneys' fees shall include attorney's fees on any appeal, and in addition a Party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, retaining expert witnesses, taking depositions and discovery, and all other necessary costs incurred with respect to such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

Section 9.8 Developer Indemnification of the City. In addition to any other specific indemnification or defense obligations of the Developer set forth in this Agreement, the Developer agrees to indemnify, defend (upon written request by the City

and with counsel reasonably acceptable to the City) and hold harmless the City and City Personnel from any and all losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs and expenses, including, but not limited to reasonable attorney's fees of counsel retained by the City, expert fees, and investigation costs, of whatever kind or nature, that are in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, through any act, omission, fault or negligence, whether active or passive, of Developer or Developer's officers, agents, employees, independent contractors, subcontractors of any tier, or authorized representatives, relating in any manner to this Agreement, any work to be performed by Developer related to this Agreement, the Project, or any authority or obligation exercised or undertaken by Developer under this Agreement. Without limiting the generality of the foregoing, Developer's obligation to indemnify City shall include injury or death to any person or persons, damage to any property, regardless of where located, including the property of City, any workers' compensation or prevailing wage determination, claim or suit or any other matter arising from or connected with any goods or materials provided or services or labor performed regarding the Project or the Property on behalf of Developer by any person or entity.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Notices, Demands and Communications Between the Parties.

(a) Any and all notices, demands or communications submitted by any Party to another Party pursuant to or as required by this Agreement shall be proper, if in writing and dispatched by messenger for immediate personal delivery, by a nationally recognized overnight courier service or by registered or certified United States mail, postage prepaid, return receipt requested, to the principal office of City or Developer, as applicable, as designated in subsection (b). Such written notices, demands and communications may be sent in the same manner to such other addresses as either Party may from time to time designate. Any such notice, demand or communication shall be deemed to be received by the addressee, regardless of whether or when any return receipt is received by the sender or the date set forth on such return receipt, on the day that it is delivered by personal delivery, on the date of delivery by a nationally recognized overnight courier service or three (3) calendar days after it is placed in the United States mail, as provided in this Section 10.1(a).

(b) The following are the authorized addresses for the submission of notices, demands or communications to the Parties:

To the Developer:

Arbor Capital Group, Inc.
4040 MacArthur Blvd. Suite 250
Newport Beach, CA 92660
Attention: Tristan Harris

To the City: City of Duarte
1600 Huntington Drive
Duarte, CA 91010
Attention: City Manager

With copy to: Rutan & Tucker, LLP
611 Anton Blvd., Suite 1400
Costa Mesa, CA 92626
Attention: David Cosgrove, Esq.

Section 10.2 Conflict of Interest. No member, official or employee of City having any conflict of interest, direct or indirect, related to this Agreement or the development of the Project shall participate in any decision relating to this Agreement. The Parties represent and warrant that they do not have knowledge of any such conflict of interest.

Section 10.3 Warranty Against Payment of Consideration for Agreement. Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Section 10.3, shall not include persons to whom fees are paid for professional services, if rendered by attorneys, financial consultants, accountants, engineers, architects and the like when such fees are considered necessary by Developer.

Section 10.4 Non-liability of City Officials and Employees. No member, official or employee of City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by City under this Agreement or for any amount that may become due to Developer or to its successor, or on any obligations under the terms of this Agreement, except as may arise from the gross negligence or willful acts of such member, official or employee.

Section 10.5 Unavoidable Delay; Extension of Time of Performance.

(a) Subject to specific provisions of this Agreement, performance by either Party under this Agreement shall not be deemed to be in default, or considered to be a default, where any such delays or defaults are due to an Unavoidable Delay that is not attributable to the fault of the Party claiming an extension of time to perform. An extension of time for any Unavoidable Delay shall be for the period of the Unavoidable Delay and shall commence to run from the date of occurrence of the Unavoidable Delay, but only if the Party asserting the existence of the Unavoidable Delay has first provided the other Party with written notice of the occurrence of the Unavoidable Delay, within ten (10) days of the commencement of such asserted Unavoidable Delay.

(b) The Parties expressly acknowledge and agree that changes in either general economic conditions or changes in the economic assumptions of either of them that may have provided a basis for entering into this Agreement and that occur at any time after the execution of this Agreement, do not constitute an Unavoidable Delay and

do not provide any Party with grounds for asserting the existence of an Unavoidable Delay in the performance of any covenant or undertaking arising under this Agreement. Each Party expressly assumes the risk that changes in general economic conditions or changes in such economic assumptions relating to the terms and covenants of this Agreement could impose an inconvenience or hardship on the continued performance of such Party under this Agreement.

Section 10.6 Real Estate Commissions. City shall not be liable for any real estate commissions, brokerage fees or finder fees that may arise from or be related to this Agreement. Developer shall pay any fees or commissions or other expenses related to its retention or employment of real estate brokers, agents or other professionals.

Section 10.7 Binding on Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors and assigns.

Section 10.8 Entire Agreement. This Agreement integrates all of the terms and conditions mentioned in this Agreement or incidental to this Agreement, and supersedes all negotiations or previous agreements between the Parties with respect to the Property and the Project.

Section 10.9 No Merger. None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with any deed conveying title to the Property, and this Agreement shall continue in full force and effect before and after such conveyances.

Section 10.10 Waivers. All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representative(s) of both City and Developer.

Section 10.11 Survival of Indemnity Obligations. All general and specific indemnity and defense obligations of the Parties set forth in this Agreement shall survive the expiration or termination of this Agreement and the execution or recordation of the City Deed and/or City's issuance of a Release of Construction Covenants for the Project for a period of three (3) years.

Section 10.12 City Approvals and Actions. City shall maintain authority of this Agreement and the authority to implement this Agreement through the City Manager (or his or her duly authorized representative). The City Manager shall have the authority to make approvals, issue interpretations, execute documents, waive provisions, and/or enter into certain amendments of this Agreement on behalf of City so long as such actions do not materially or substantially change the basic business terms hereof, change the uses or development permitted on the Property, or add to the costs incurred or to be incurred by City as specified herein, and such approvals, interpretations, waivers and/or amendments may include extensions of time to perform as set forth in Section 5.5. All other material and/or substantive interpretations, waivers, or amendments shall require the consideration, action and written consent of the City Council.

Section 10.13 Developer Termination. In the event that prior to the Close of Escrow all or a portion of the Property is condemned or there is a written threat of condemnation issued by a governmental authority or there is a spill or release of any Hazardous Substances not caused by Developer upon the Property, then Developer shall have the right, but not the obligation and upon written notice to City, to terminate the Agreement and be refunded the Earnest Money Deposit.

Section 10.14 Possession. Upon the Escrow Closing Date, City shall deliver possession of the Property to Developer (or its assignee) free and clear of all rights or claims to possession and use.

Section 10.15 Termination. Except where expressly set forth herein, Developer's obligations hereunder shall terminate upon the issuance of the Release of Construction Covenants.

Section 10.16 Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on both Parties hereto, notwithstanding that both Parties are not signatories to the same counterpart.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK,
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, City and Developer have executed this Purchase, Sale, and Development Agreement by and through the signatures of their duly authorized representative(s) set forth below:

"City"

CITY OF DUARTE,
a California municipal corporation

By: _____
City Manager

ATTEST:

City Clerk

**APPROVED AS TO FORM:
RUTAN & TUCKER, LLP**

City Attorney

"Developer":

DUARTE PLAZA DEVELOPMENT, LLC, a
California limited liability company

By: _____
Its: _____

ATTACHMENT NO. 1

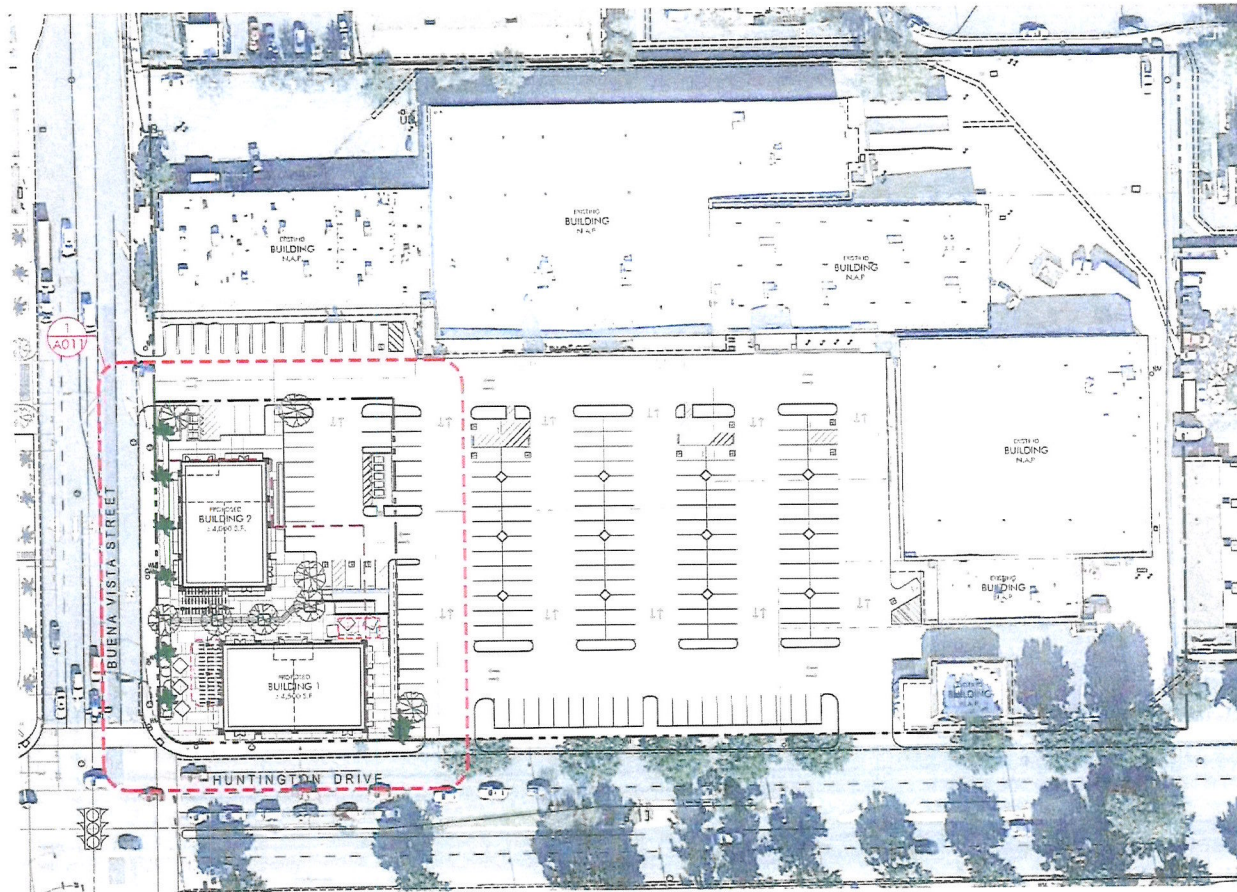
LEGAL DESCRIPTION

Real property in the City of Duarte, County of Los Angeles, State of California, described as follows:

ATTACHMENT NO. 2

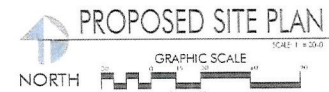
SITE MAP

[SEE ATTACHED]



PROJECT SUMMARY	
ZONING	ARBOR CAPITAL GROUP, INC.
CLIENT	RETAIL/RESTAURANT
PROPOSED USE	C.G.
EXISTING ZONING	T.B.C.
APN	
SITE AREA	
OVERALL SITE AREA	± 0.68 A.C. ± 29,794 S.F.
CORNER PARCEL:	
BUILDING DATA	
PROPOSED BUILDING 1	± 4,500 S.F.
PROPOSED BUILDING 2	± 4,000 S.F.
TOTAL NET BUILDING AREA:	± 8,500 S.F.
PARKING DATA	
EXISTING PARKING ON EASTERLY PARCELS (EXCLUDING TWO CORNER PARCELS)	152 STALLS
PROPOSED 90° PARKING ON EASTERLY PARCELS	164 STALLS
NET GAIN	12 STALLS
PROPOSED PARKING FOR CORNER PARCELS:	
REQUIRED PARKING:	
BUILDING 1: (± 4,500 S.F.)	
RESTAURANT	
S.F. 2,000 S.F. AT 1 SPACE/100	= 20 STALLS
7,000 S.F. AND OVER AT 1 SPACE/200	= 12.5 STALLS
BUILDING 2: (± 4,000 S.F.)	= 16 STALLS
RETAIL AT 1 SPACE/250 S.F.	
TOTAL REQUIRED STALLS:	= 48.5 OR 49 STALLS
STALLS PROVIDED ON CORNER PARCELS	= 17 STALLS

PRELIMINARY SITE PLAN BASED ON SF/081



PRELIMINARY SITE PLAN SUBJECT TO CHANGE.
PROPERTY LINES ARE BASED ON ALTA SURVEY BY KELSEY & ASSOCIATE, INC. DATED 01/11/2017.

ARBOR CAPITAL GROUP, INC.
4040 MACARTHUR BLVD, SUITE 250
NEWPORT BEACH, CALIFORNIA 92660

NEC HUNTINGTON DRIVE & BUENA VISTA STREET
DUARTE, CALIFORNIA

McKenty
Malak
ARCHITECTS

OVERALL SITE PLAN
05.31.2018 1611311A
A010

ATTACHMENT NO. 3

SCOPE OF DEVELOPMENT

The Project consists of Developer's construction of two buildings totaling 8,500 sq. ft. on an overall site area of approximately 29,794 sq. ft. at the Northeast corner of Huntington Drive and Buena Vista. Building 1 will contain 4,500 sq. ft. and will consist of two food use tenants divided into 2,300 sq. ft. and 2,200 sq. ft. spaces. Building 2 will contain 4,000 sq. ft. and will consist of 1-3 retail/food use tenant(s). The Project also includes two areas of outdoor seating in an open air patio totaling more than 1,000 sq. ft. Both buildings will have access to the shared patio and outdoor space.

Additionally, the project will include the rehabilitation of the parking lot for the entire Buena Vista shopping center. The rehabilitation will consist of approximately. 86,670 sq. ft. of asphalt repair and recoat, 623 LF of concrete repair, 135,213 sq. ft. of seal coating, installation or construction of 5 new ADA ramps, approximately. 5,760 sq. ft. of planter islands, approximately 10 new light poles, tree removal and new landscaping throughout.

ATTACHMENT NO. 4

SCHEDULE OF PERFORMANCE

- Full plan submittal – 12/1/18
- ARB approval - 1/14/18
- Planning Commission Approval – 3/4/19
- Construction Drawings – 3/5/19 – 4/1/19
- Plan check construction drawings – 4/1/19 – 6/3/19
- Site construction – 6/4/19 – 3/2/20
- Tenant Improvement Construction – 3/3/20 – 6/1/20
- Completion of Parking Improvements – Prior to, and as a condition of, City's issuance of a certificate of occupancy for the Project
- Opening for Business – 6/1/20

ATTACHMENT NO. 5

FORM OF CITY DEED

[SEE ATTACHED]

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

(Space above for Recorder's Use Only)

Documentary transfer tax \$ _____

Computed on the consideration of the full value of property conveyed

[Exempt from recorder's fee pursuant to
Government Code Section 27383]

The undersigned declares exemption
under the following:

Exempt from fee per Government Code
Section 27388.1 (a)(2).1 (a)(2);
recorded concurrently in connection with a
transfer subject to the imposition of
documentary transfer tax

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged, the City of Duarte, a California municipal corporation (the "City"), hereby grants to _____, a _____ (the "Grantee"), the real property legally described in Exhibit "A" attached hereto and made a part hereof (the "Property"), subject to all matters of record and subject to the following:

Grantee, on behalf of itself and its successors and assigns to all or any portion of the Property, covenants and agrees as follows:

Section 1. Condition of Property. The Grantee acknowledges and agrees that the Property is granted by the City to the Grantee in its "AS IS," "WHERE IS" and "SUBJECT TO ALL FAULTS CONDITION," as of the date of recordation of this Grant Deed, with no warranties, expressed or implied, as to the environmental or other physical condition of the Property, the presence or absence of any patent or latent environmental

or other physical condition on or in the Property, or any other matters affecting the Property.

Section 2. Nondiscrimination Covenants. That there shall be no discrimination against or segregation of any person, or group of persons on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any part thereof, nor shall Grantee, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Property, or any part thereof. The foregoing covenants shall run with the land.

Section 3. Nondiscrimination Clauses in Agreements. Grantee agrees for itself and any successor in interest that Grantee shall refrain from restricting the rental, sale, or lease of any portion of the Property, or contracts relating to the Property, on the basis of race, color, creed, religion, sex, marital status, ancestry, or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

i. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

ii. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: "That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

iii. In contracts relating to the sale, transfer, or leasing of the land or any interest therein: “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

The foregoing nondiscrimination covenants shall remain in effect in perpetuity.

Section 4. Maintenance Obligations. The following covenants shall be in effect for a period of ten (10) years (the “Maintenance Period”), commencing on the date this Grant Deed is recorded in the Official Records of the County of Los Angeles.

(a) The areas of the Property that are subject to public view (including all existing and future improvements, paving, walkways, landscaping, exterior signage and ornamentation) shall be maintained in good repair and a neat, clean and orderly condition, ordinary wear and tear excepted. If, at any time during the Maintenance Period, there is an occurrence of an adverse condition on any area of the Property that is subject to public view in contravention of the general maintenance standard described above (a “Maintenance Deficiency”), then City shall notify Grantee in writing of the Maintenance Deficiency. If Grantee fails to cure or commence and diligently pursue to cure the Maintenance Deficiency within thirty (30) days of its receipt of notice of the Maintenance Deficiency, then City shall have the right, but not the obligation, to enter the Property and perform all acts necessary to cure the Maintenance Deficiency. Any sum expended by City for the abatement of a Maintenance Deficiency on the Property as authorized by this Section 4(a), plus a ten percent (10%) administrative fee, shall be reimbursed by Grantee within five (5) business days after Grantee’s receipt of a written invoice from City. Notwithstanding any legal rights City may otherwise have, City shall not have the right to file a lien against the Property to recover the amounts due to City pursuant to this paragraph.

(b) Graffiti, as that term is defined in Government Code Section 38772, that has been applied to any exterior surface of a structure or improvement on the Property that is visible from any public right-of-way adjacent or contiguous to the Property, shall be removed by Grantee by either painting over the evidence of such vandalism with a paint that has been color-matched to the surface on which the paint is applied, or graffiti may be removed with solvents, detergents or water, as appropriate. If any such graffiti is not removed within 72 hours following the time of the discovery of the graffiti, City shall

have the right to enter the Property and remove the graffiti, without notice to Grantee. Any sum expended by City for the removal of graffiti from the Property, as authorized by this Section 4(b), in an amount not to exceed \$250 per entry by City, shall be reimbursed by Grantee within five (5) business days after Grantee's receipt of a written invoice from City. Notwithstanding any legal rights City may otherwise have, City shall not have the right to file a lien against the Property to recover the amounts due to City pursuant to this paragraph.

Section 5 Covenants Running with the Land. Each of the covenants, restrictions, and agreements contained in this Grant Deed are deemed to be covenants running with the land, and shall pass to and be binding upon the Grantee's successors in title to the Property. All covenants established in this Grant Deed shall, without regard to technical classification or designation, be binding for the benefit of the City, and such covenants shall run in favor of the City for the respective time periods set forth above, without regard to whether the City is or remains an owner of any land or interest therein to which such covenants relate. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, restrictions, and agreements, regardless of whether such covenants, restrictions, and agreements are set forth in such contract, deed or other instrument.

City and Grantee hereby declare their understanding and intent that the burden of the covenants, restrictions, and agreements set forth herein touch and concern the land in that Grantee's legal interest in the Property is rendered less valuable thereby. City and Grantee further hereby declare their understanding and intent that the benefit of such covenants, restrictions, and agreements touch and concern the land by enhancing and increasing the enjoyment and use of the Property.

Section 6. Enforcement Rights; Costs and Attorneys' Fees for Enforcement Proceeding. City, in the event of any breach of any of the covenants, restrictions, or agreements in this Grant Deed, has the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings, to enforce the curing of such breach, as provided by law. .

If legal proceedings are initiated to enforce the rights, duties or obligations of any of the covenants set forth in this Grant Deed, then the prevailing party in such proceeding shall be entitled to collect its reasonable attorney fees and costs from the other party in addition to any other damages or relief obtained in such proceedings.

Section 7. Effect of Unlawful Provision; Severability. In the event that any provision of this Grant Deed is held to be invalid or unlawful by a final judgment of a court of competent jurisdiction, such invalidity shall not affect the validity of any other provision of this Grant Deed.

IN WITNESS WHEREOF, the City has caused this Grant Deed to be executed by its authorized representative(s) on this ___ day of _____, 20__.

CITY:

By: _____
Darrell J. George, City Manager

By execution below, Grantee accepts and agrees to be bound by all of the covenants, restrictions, and obligations set forth in this Grant Deed.

GRANTEE:

By: _____

Its: _____

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

Real property in the City of Duarte, County of Los Angeles, State of California, described as follows:

ATTACHMENT NO. 6

FORM OF MEMORANDUM OF AGREEMENT

[SEE ATTACHED]

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Duarte
1600 Huntington Drive
Duarte, CA 91010
Attn: City Clerk

(Space above for Recorder's Use Only)

[Recordation of this Document
is Exempt From Fees Payable to the Recorder
Under Government Code Section 27383]

CITY OF DUARTE

MEMORANDUM OF AGREEMENT
(PURCHASE, SALE, AND DEVELOPMENT AGREEMENT)

TO ALL INTERESTED PERSONS PLEASE TAKE NOTICE that as of _____, 20____, _____, a _____ (the "**Developer**") and the City of Duarte, a California municipal corporation (the "**City**"), entered into an agreement entitled "Purchase, Sale, and Development Agreement" (the "**Agreement**"). A copy of the Agreement is on file with the City Clerk of City and is available for inspection and copying by interested persons as a public record of City during the regular business hours of City.

The Agreement affects the real property (the "**Property**") described in Exhibit "A" attached to this Memorandum of Agreement.

PLEASE TAKE FURTHER NOTICE that the Agreement contains certain covenants running with the land and other agreements between Developer and City affecting the Property, all of which are incorporated herein by this reference:

THIS MEMORANDUM OF AGREEMENT is dated as of _____, 20__, and has been executed on behalf of Developer and City by and through the signatures of their authorized representative(s) set forth below. This Memorandum of Agreement may be executed in counterparts and when fully executed each counterpart shall be deemed to be one original instrument.

CITY OF DUARTE:

By: _____
Darrel J. George, City Manager

ATTEST:

Marla Akana, City Clerk

**APPROVED AS TO FORM:
RUTAN & TUCKER, LLP**

David B. Cosgrove, City Attorney

DEVELOPER:

_____,
a _____

By: _____
Its: _____

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

Real property in the City of Duarte, County of Los Angeles, State of California, described as follows:

ATTACHMENT NO. 7

FORM OF RELEASE OF CONSTRUCTION COVENANTS

[SEE ATTACHED]

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

(Space above for Recorder's Use Only)

CITY OF DUARTE

RELEASE OF CONSTRUCTION COVENANTS

A. _____, a _____ ("Developer"), is the owner of fee title to that certain real property legally described in Exhibit "A" attached hereto and incorporated herein by reference (the "Site"); and

B. By a Purchase, Sale and Development Agreement (hereinafter referred to as the "Agreement") dated _____, 2018, by and between Duarte Plaza Development LLC, a California limited liability company ("DPD") and the City of Duarte, a California municipal corporation ("City"), and assigned by DPD to the Developer on or about 1, 2014, the Developer has redeveloped the Site in accordance with the Agreement; and

C. Pursuant to Section 5.12 of the Agreement, promptly after Developer's completion of the "Project" (as that term is defined in the Agreement) upon the Site, and upon request by Developer, City shall furnish Developer with a Release of Construction Covenants in such form as to permit it to be recorded in the Official Records of the County of Los Angeles; and

D. The issuance by City of the Release of Construction Covenants shall be conclusive evidence that Developer has complied with the terms of the Agreement pertaining to the development of the Site; and

E. Developer has requested that City furnish Developer with the Release of Construction Covenants; and

F. City has conclusively determined that the development of the Site has been satisfactorily completed as required by the Agreement.

NOW, THEREFORE:

1. As provided in the Agreement, City does hereby certify that development of the Site has been fully and satisfactorily performed and completed, and that such development is in full compliance with said Agreement.

2. This Release of Construction Covenants shall not constitute evidence of Developer's compliance with the requirements and restrictions set forth in the Grant Deed by which City conveyed the Site to Developer, which Grant Deed was recorded on _____, as Instrument No. _____, in the Official Records of the County of Los Angeles, the provisions of which shall continue to run with the land until termination thereof in accordance with the terms thereof:

3. This Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance construction work on the Site, or any part thereof.

4. This Release of Construction Covenants is not a Notice of Completion as referred to in California Civil Code Section 3093.

5. Except as stated herein, nothing contained in this instrument shall modify in any way any other provisions of the Agreement or any other provisions of any agreements or documents referenced therein.

IN WITNESS WHEREOF, City has executed this Release of Construction Covenants as of this ____ day of _____, 20__.

City Manager, City of Duarte

ATTEST:

City Clerk, City of Duarte

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

Real property in the City of Duarte, County of Los Angeles, State of California, described as follows:

ATTACHMENT NO. 8

PARKING AREAS

[SEE ATTACHED]



City of Duarte

1600 Huntington Drive, Duarte, CA 91010 - (626) 357-7931 - FAX (626) 358-0018

**CITY OF DUARTE
CITY COUNCIL
NOTICE OF PUBLIC HEARING**

Notice is hereby given that the City Council of the City of Duarte will conduct a public hearing on Tuesday, November 27, 2018 at 7:00 p.m. in the City Hall Council Chamber, 1600 Huntington Drive, Duarte, California.

The City Council will solicit public input regarding the proposed use of the City of Duarte's federal Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funding allocation for Fiscal Year 2019-2020 (July 1, 2019 – June 30, 2020). The City anticipates receiving an allocation of approximately \$151,723 in federal CDBG funds through its participation in the Los Angeles Urban County's CDBG Program. CDBG funds will be used to remove architectural and/or material barriers for elderly and/or severely disabled adults through the installation of Americans with Disabilities Act-Compliant (ADA) accessible curb ramps at various locations throughout the city.

Any interested party may appear in person, or by agent, and be heard. If this matter is challenged in Court, there will be a limit to only those issues that were raised at the Public Hearing described in this Notice, or in written correspondence delivered to the City Council at, or prior to, the Public Hearing. Written correspondence may be sent to Duarte City Hall, City Clerk's Office, 1600 Huntington Drive, Duarte, CA 91010. Further information may be obtained from the Community Development Department at (626) 357-7931. Si usted quiere hacer un comentario o quiere mas información sobre esta noticia, usted pueder llamar al numero (626) 357-7931.

Marla Akana
City Clerk

POSTED: **November 13, 2018**
Duarte City Hall
Duarte Public Safety Office
Duarte Library
City Website



MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Craig Hensley, Community Development Director

Date: November 27, 2018

Subject: Community Development Block Grant Program (CDBG) Budget for Fiscal Year 2019-2020 (July 1, 2019 – June 30, 2020)
Proposed CDBG FY 2019-2020 Allocation - \$151,723

RECOMMENDATION

Staff recommends that the City Council:

1. Allocate \$151,723 in FY 2019-2020 CDBG funding to continue the Installation of Americans with Disabilities (ADA) Curb Ramp Project;
2. Authorize the City Manager to execute all necessary contract documents in a form approved by the City Attorney; and,
3. Authorize staff the ability to make adjustments to projects due to final funding allocations and/or as needed due to programmatic interpretations by the Los Angeles County Community Development Commission (LACDC).

BACKGROUND

Duarte has been a participating city in the Los Angeles Urban County Community Development Commission's (LACDC) federal Community Development Block Grant (CDBG) Program for many years. The City's annual allocation of federal CDBG funds previously supported the successful construction of American with Disabilities Act (ADA) compliant improvements to city sidewalks and curb ramps. The mission of the CDBG Program is to improve the quality of life for people of low-moderate incomes, aid in the prevention of neighborhood deterioration and meet other urgent community development needs.

The Los Angeles County Community Development Commission (LACDC) requires participating cities to submit the proposed use of their annual CDBG allocation by February 1, 2019, including general project descriptions, budgets, with documentation of Council action and proof of public meeting notification. For purposes of budgeting, staff estimates that the Fiscal Year (FY) 2019-2020 CDBG allocation will be approximately \$151,723. The City's final FY 2019-2020 CDBG allocation will be announced by LACDC in spring 2019, and may vary within two to five percent of the proposed \$151,723.

ANALYSIS

During the current Fiscal Year 2018-2019, CDBG funds totaling \$50,000 are being used to remove approximately ten (10) obsolete concrete curb ramps at various city intersections. These obsolete concrete ramps pose an obstruction to the safe path of travel for elderly and severely disabled residents. CDBG funds support the removal and replacement of the non-compliant curb ramps with Americans with Disabilities Act (ADA) compliant curb ramps.

For the upcoming FY 2019-2020, staff recommends that the Installation of ADA-compliant curb ramp project be continued. ADA-compliant curb ramps will be installed at various locations throughout the city.

Table 1 - Proposed CDBG Projects and Budgets for FY 2019-2020	
Project: Removal of Architectural Barriers (Installation of ADA-Compliant Curb Ramps)	\$151,723
*Total CDBG Program Funding	\$151,723
*Note: Staff requests that the City Council's recommendation include language giving staff the ability to make adjustments to projects, due to programmatic interpretations by LACDC and final funding allocations.	

The proposed project includes removing architectural barriers (obsolete concrete curbs) at various intersection locations throughout the City and installing ADA-accessible curb ramps, thus improving accessibility and mobility for senior adults and severely disabled residents. CDBG funds will be used for construction costs and project administration costs including compliance with federal labor standards. The design, engineering and project management will be the responsibility of City staff.

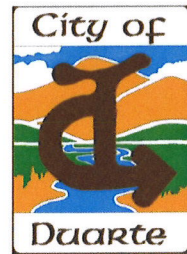
The City will continue to use LDM Associates, Inc., a qualified consulting firm, to provide professional CDBG Program administration and federal labor standards compliance services to ensure that federal CDBG Program requirements are met.

During this next fiscal year, Staff proposes to begin the design phase for complete ADA-accessibility and mobility improvements in the City Hall Courtyard area. This area has been evaluated and found to be in need of significant accessibility improvements. The design would provide not only the plan but an estimated budget for the project. The intent being to consider using future year's CDBG funding for some or all of the necessary work.

CONCLUSION

The proposed FY 2019-2020 projects will benefit the community by promoting CDBG national objectives; continue to remove architectural barriers (ADA improvements) that impede residents' mobility and accessibility; improve deteriorated streets; and, enhance the quality of life for Duarte's residents.

Thus, staff recommends that the City Council conduct a public hearing; review and approve the recommended CDBG project and budget for FY 2019-2020 as described in Table 1 above. Following City Council action, the proposed FY 2019-2020 CDBG project and budget application will be submitted to LACDC for review and approval.



MEMORANDUM

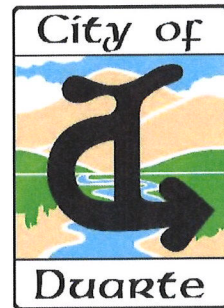
TO: Mayor and City Council
FROM: Craig Hensley, Community Development Director 
DATE: November 27, 2018
SUBJECT: Presentation of 2018 Housing Strategy Prepared by Karen Warner Associates

Karen Warner Associates was retained by the City to assist with the annual HCD reporting process to complete the 2018 Annual Report, to assist in a monitoring process that meets the requirements of SB 35 and AB 879 and to develop a Housing Strategy.

The purpose of the Housing Strategy was to provide a mid-period look at the City's 2014-2021 Housing Element and to strengthen the strategy for Housing Authority funding and assistance. The other purpose is to provide an updated look at how the City is addressing its regional housing needs. Since the City adopted its most recent Housing Element, there have been changes in zoning that include the: Town Center Specific Plan, Third Street Townhouses and the townhouses at 946-962 Huntington Drive. There is also increased potential for additional residential opportunities in the Duarte Station area.

The 2018 Housing Strategy is attached and presents priorities for the City's efforts that include: a focus on meeting unmet regional housing numbers, focusing efforts on housing near transit, addressing affordable projects that are "at-risk" of losing affordability status and similar programs. Karen Warner will be available the meeting to present the document and to answer questions.

Staff recommends that the City Council approve the 2018 Housing Strategy.



CITY OF DUARTE HOUSING STRATEGY

AUGUST 2018

**City of Duarte
COMMUNITY DEVELOPMENT DEPARTMENT
1600 HUNTINGTON DRIVE
DUARTE, CA 91010**

KWA
KAREN WARNER ASSOCIATES
Housing Policy Consultants

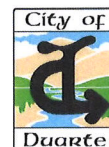


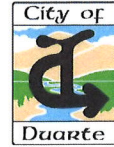
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EXECUTIVE SUMMARY

Duarte's Housing Strategy for the five-year (2018-2022) period is comprised of the following components:

HOUSING NEEDS SUMMARY

RESOURCES

Financial
Land Resources
Zoning Incentives/Regulations

FIVE-YEAR HOUSING STRATEGY

Guiding Principles for Housing Assistance
Housing Activities

The following summarizes the Strategy's Guiding Principles and Housing Activities.

GUIDING PRINCIPLES FOR HOUSING ASSISTANCE

1. Focus on supporting projects that address Duarte's **unmet RHNA needs** for very low, low and moderate income units for the balance of the planning period (2018-2021), or continue to face mandatory streamlining of multi-family projects under SB 35.
2. Prioritize funding assistance for affordable **rental housing near high-quality transit**.
3. **Pursue leverage** of City assistance in new construction and acquisition/rehabilitation projects, emphasizing deeper affordability.
4. Utilize **regulatory tools**, such as density bonuses, fee waivers and flexible development standards, to integrate affordable units within market rate developments.
5. Encourage housing which is "**affordable by design**", such as accessory dwelling units.
6. Preserve **assisted rental housing at-risk of conversion** to market rents by working with property owners, tenants and non-profit purchasers.
7. Emphasize housing activities which **sustain and strengthen neighborhoods**. Stabilize the existing housing stock through:
 - Affordable housing via acquisition/rehabilitation
 - Code enforcement
8. Evaluate establishing a **rental inspection program** to complement neighborhood enhancement activities.



HOUSING ACTIVITIES

Duarte's Housing Strategy encompasses the following three topic areas:

- Affordable New Construction
- Preservation of Existing Affordable Housing
- Neighborhood Stabilization and Improvement

AFFORDABLE NEW CONSTRUCTION

The Housing Strategy's guiding principles for affordable housing construction focus on addressing Duarte's unmet regional housing needs (RHNA), and providing direct support for rental housing near transit. Regulatory incentives are identified which can also help facilitate the production of affordable units.

AFFORDABLE NEW CONSTRUCTION ACTIVITIES	
1.	AFFORDABLE HOUSING DEVELOPMENT ASSISTANCE
2.	DENSITY BONUSES/AFFORDABLE HOUSING INCENTIVES
3.	ACCESSORY DWELLING UNITS
4.	INCLUSIONARY ZONING

PRESERVATION OF EXISTING AFFORDABLE HOUSING

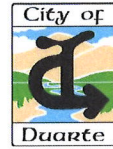
Preserving Duarte's current portfolio of rent-restricted housing, and ensuring ongoing compliance monitoring for existing and future affordable units is of key importance for a successful housing strategy.

AFFORDABLE HOUSING PRESERVATION ACTIVITIES	
5.	PRESERVATION OF AFFORDABLE HOUSING WITH EXPIRING USE RESTRICTIONS
6.	MONITORING PROCEDURES FOR RESTRICTED HOUSING UNITS

NEIGHBORHOOD STABILIZATION AND IMPROVEMENT

An important guiding principle of Duarte's Housing Strategy is to emphasize housing activities which sustain and strengthen neighborhoods. The following three programs will support the City's goal of stabilizing neighborhoods.

NEIGHBORHOOD STABILIZATION & IMPROVEMENT ACTIVITIES	
7.	MULTI-FAMILY HOUSING ACQUISITION AND REHABILITATION
8.	APARTMENT INSPECTION PROGRAM
9.	CODE ENFORCEMENT



I. INTRODUCTION

The purpose of this Housing Strategy is to develop a guide for the implementation of housing programs and projects which will maximize financial resources and effectively address Duarte's housing needs and priorities.

The objectives of the Housing Strategy are to:

- Review existing and projected housing needs
- Evaluate existing and potential financial, land and regulatory resources
- Recommend housing priorities
- Recommend implementation programs

The Housing Strategy for Duarte is comprised of the following components:

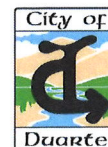
HOUSING NEEDS SUMMARY

RESOURCES

Financial
Land Resources
Zoning Incentives/Regulations

FIVE-YEAR HOUSING STRATEGY

Guiding Principles for Housing Assistance
Housing Activities



II. HOUSING NEEDS SUMMARY

The following summarizes the primary housing needs in Duarte as documented in the City's 2014-2021 Housing Element, updated with current market information and a survey of housing conditions.

1. Several **demographic trends** have been occurring in Duarte over the past two decades (1990-2010). Families with children have decreased from 39% to 29% of households. There has been a continuing shift towards an older population, with a loss of young adults (age 25-44) and school age children (age 5-17), resulting in an increase in the median age from 32.1 to 39.9 years. High housing costs are contributing to these trends, serving as a barrier to early professionals and young families wishing to locate in the City. The Market Assessment conducted for the Duarte Town Center Specific Plan (2015) documents an increasing demand for smaller units that offer a "downtown lifestyle" due to the high costs of other residential types and shift in tastes among younger buyers.
2. Decreases in families with children and smaller household sizes has resulted in decreased levels of **household overcrowding**. While the City's renter households are more likely to experience overcrowded living conditions than owner households, the level of renter overcrowding (defined as > 1.01 persons/room) has declined significantly over the past decade, from 21% in 2000 to 12% in 2010. Overall, household overcrowding remains a relatively minor issue in Duarte.
3. Apartment rents relative to incomes in Duarte are at a level that many lower income households face significant **housing overpayment**. The 2012-2016 American Community Survey documents 62% of Duarte's renters are spending over 30% of their income on housing (State and Federal standards for housing overpayment), with one-third spending over half of their income for shelter (severe overpayment). A February 2018 rent survey (Table 1) documents median apartment rents ranging from \$1,420 for a one-bedroom, \$1,675 for a two-bedroom, and \$2,195 for a three-bedroom unit. Apartment rents have increased significantly in recent years, with nearly a 25% increase in the median rent for a two-bedroom unit compared to the 2013 rent survey conducted for Duarte's Housing Element.

Table 1: Survey of Vacant Rental Units in Duarte (Feb 2018)

Unit Type and Bedrooms	# Units Advertised	Rental Range	Median Rent
<i>Apartments/Condominiums/Townhomes</i>			
1	5	\$1,350 - \$1,624	\$1,420
2	12	\$1,300 - \$1,935	\$1,675
3	5	\$2,095 - \$2,495	\$2,195
4	2	\$2,500 - \$2,750	\$2,625
<i>Single-Family Homes</i>			
3	6	\$2,100 - \$2,800	\$2,375
4	6	\$2,300 - \$4,800	\$2,880
<i>Rooms for Rent</i>			
1	4	\$600 - \$950	\$800

Source: Trulia; craigslist; apartments.com. February 2018.



Table 2 compares median apartment rents in Duarte with the maximum affordable rent for very low, low and moderate income households based the standard of spending no greater than 30% of income on housing. As presented, median rents exceed the level affordable to very low and low income households, though a limited number of apartments were advertised at rents affordable to small (2 -3 person) low income households. Households earning moderate incomes can generally afford market rents in Duarte, though rents in the larger, 3+ bedroom townhome units exceed affordability even for moderate income households. The projected rent schedule for the new 161 mixed use project on Huntington Drive are at levels targeted to above moderate income households.

Table 2: 2018 Maximum Affordable Rents

Income Level	Maximum Affordable Rent After Utility Allowance			
	1 Bedroom (2 person)	2 Bedroom (3 person)	3 Bedroom (4 person)	4 Bedroom (5 person)
Very Low Income (50% AMI)	\$910	\$1,020	\$1,125	\$1,202
Low Income (80% AMI)	\$1,490	\$1,672	\$1,851	\$1,986
Moderate Income (120% AMI)	\$1,602	\$1,800	\$1,992	\$2,139
Duarte Median Apartment Rents	\$1,419	\$1,675	\$2,195	\$2,625

Notes:

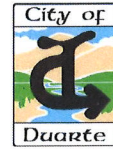
1. Income levels reflect the 2017 Official State Income Limits published by State HCD.

2. Maximum affordable rent reflects deduction of LACDC utility allowance effective 7-1-18

(assumes water and trash included in rent): \$48 - studios, \$60 - 1 bdrms, \$71 - 2 bdrms, \$86 - 3 bdrms, \$106 - 4 bdrms.

3. Duarte median apartment rents based on February 2018 internet rent survey (Truulia, craigslist, apartments.com.)

4. The **Section 8 Rental Assistance Program** administered by the Housing Authority of the County of Los Angeles currently (May 2018) provides rental assistance vouchers to 69 very low income renters living in Duarte. An additional 58 City residents are on the Housing Authority's waiting list for assistance, indicating an unmet need for rental assistance.
5. There are currently six **publicly-assisted, rent restricted housing complexes** in Duarte, providing 456 units of affordable housing for lower income seniors and families (refer to Table 3). The California Housing Partnership Corporation (CHPC) maintains a comprehensive database of information on subsidized affordable housing at risk of losing its affordable status and converting to market-rate housing. Consultation with CHPC (March 2018) identified one of Duarte's rent restricted housing complexes at **high risk of conversion**. Duarte Park Apartments is a 100 unit very low income senior project built in 1992 using HUD Section 236 funds, with affordability entirely tied to the Section 8 Housing Assistance Plan (HAP) contract subject to renewal in 2022. The City plans to initiate contact with the property owner at least one year prior to the renewal date, and, as necessary, could consider providing City funds to extend affordability controls. In 2004, the former Duarte Redevelopment Agency provided funding to extend affordability covenants on Heritage Park Apartments to 2059.

**Table 3: Inventory of Assisted Rental Housing**

Project Name	Year Built	Tenant Type	Ownership	Funding Source	Applicable Units	Potential Conversion Date	Risk Level
Duarte Manor 1235 Highland Ave.	1972	Family	For-Profit	Section 236 Section 8	42 units 26 – 2 bd 16 – 3 bd	2035	Low
Duarte Park Apts (Gardens) 1901 Buena Vista St.	1992	Senior	For-Profit	Section 236 Section 8	100 units all 1 bd	2022	High
Royal Vista Terrace 1310 Royal Oaks Dr.	1981	Senior	Non-Profit	Section 202 Tax Credits Section 8	74 units all 1 bd	2068 2034	Low
Andres Duarte Terrace 1730 Huntington Dr.	2006	Senior	Non-Profit	Section 202 Duarte RDA Section 8	79 units all 1 bd	2054 2018	Low
Andres Duarte Terrace II 1700 Huntington Dr.	2015	Senior	Non-Profit	Section 202 Duarte RDA Tax Credits Section 8	42 units all 1 bd	2060 2018	Low
Heritage Park Apts. 915 Highland Ave.	1976	Senior	For-Profit	Duarte RDA Tax Credits	119 units all 1 bd	2059	Low
Total Assisted Units					456 units		

6. Table 4 presents data on all **sales of single-family homes and condominiums** in Duarte during the first quarter of 2018. A total of 40 single-family homes sold during this period for an overall median sales price of \$553,500, evidencing a sizable 63% increase from the \$340,000 median documented in the City's Housing Element (2012-2013). Just eleven condominiums were sold during this period, reflecting a median price of \$385,000 and a more modest 33% price increase from the 2012/2013 survey.

Table 4: Home and Condominium Sales Prices (Jan-March 2018)

Unit Type and Bedrooms	# Units Sold	Price Range	Median Sales Price
Single-Family Detached Homes			
2	9	\$353,000 - \$527,000	\$465,000
3	23	\$325,000 - \$710,000	\$557,000
4+	8	\$559,000 - \$900,000	\$693,500
Total	40		\$553,500
Condominiums/Townhomes			
2	5	\$310,000 - \$399,900	\$365,000
3	6	\$365,000 - \$440,000	\$400,000
Total	11		\$385,000

Source: Zillow.com.

Table 5 presents the maximum affordable purchase price for moderate income households (120% AMI), and compares this with 2018 market sales prices in Duarte. Affordable prices range from approximately \$364,000 for a three person household, \$406,000 for a four person household, and \$437,000 for a five person household. While single-family sales prices fall well above these affordability levels, median condominium prices in Duarte are fairly comparable to the maximum affordable purchase price for moderate income households.

Table 5: 2018 Maximum Affordable Housing Cost (Moderate Income)

Moderate Income Affordable Housing Cost	2 Bedroom (3 persons)	3 Bedroom (4 persons)	4 Bedroom (5 persons)
Household Income @ 120% Median	\$74,850	\$83,150	\$89,800
Income Towards Housing @ 35% Income	\$26,198	\$29,103	\$31,430
Maximum Monthly Housing Cost	\$2,183	\$2,425	\$2,619
Less Expenses:			
Utilities ¹	(\$140)	(\$170)	(\$210)
Taxes (1.10% of sales price)	(\$334)	(\$373)	(\$400)
Homeowner Insurance (0.10% of sales price) ²	(\$31)	(\$34)	(\$36)
HOA Fees & Other Maintenance	(\$200)	(\$200)	(\$200)
Monthly Income Available for Mortgage	\$1,478	\$1,648	\$1,773
Supportable Mortgage @ 4.5% interest	\$291,700	\$325,250	\$350,000
Homebuyer Downpayment (20%)	\$72,900	\$81,300	\$87,500
Maximum Affordable Purchase Price	\$364,600	\$406,550	\$437,500
Duarte Median Single-Family Sales Price	\$465,000	\$557,000	\$693,500
Duarte Median Condo Sales Price	\$365,000	\$400,000	n.a.

Source: Karen Warner Associates.

1. Utility costs based on 2018 HACoLA schedule and assumes gas appliances.

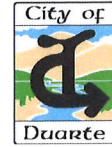
2. Estimated from quotes from Progressive Insurance

3. Median sales prices based on sales January - March 2018 as documented on Zillow.com

7. Over three-quarters of Duarte's housing stock is greater than 30 years in age, the age at which housing begins to require major **rehabilitation improvements**. The aging of such a large portion of Duarte's housing indicates a continued need for code enforcement and home improvement programs to stem potential deterioration. In February 2018, City staff conducted an exterior housing conditions survey of Duarte's older multi-family properties (generally 50+ years old), and rated each property based on the following classification system:

- ✓ **Adequate conditions:** No defects, or slight defects correctable with normal maintenance.
- ✓ **Deteriorating:** Intermediate defects requiring repair if unit is to provide safe and adequate shelters; more serious defects than those correctable by routine maintenance.
- ✓ **Dilapidated:** Serious defects making the building a safety hazard or creating an unhealthy environment.

Of the seventeen multi-family properties surveyed, five were identified as deteriorating, with one property identified as dilapidated, representing a total of 109 units in significant need of repair. These properties may be potentially good candidates for acquisition and rehabilitation assistance through the City. Table 6 on the following page presents the complete results of the housing conditions survey, with images of the surveyed properties included in Appendix A.

**Table 6: Multi-family Housing Conditions Survey (Feb 2018)**

Address	Project Name	# Units	Parcel Size	Condition	Year Built	Latest Rehab	Property Description
1014 Buena Vista St	Tiki Atoll	12	26,270	Adequate	1964	2016	Gated 2-story apartment community in 2 buildings, covered carports.
914 Buena Vista St	Vista Verde	11	20,438	Deteriorating	1964	1981	2-story apartment building with covered and uncovered parking.
2000-2006 Buena Vista St	-	4	37,047	Adequate	1963	2000	Four detached units, two single-story, two 2-story, with 2 covered carport structures.
2014 Buena Vista St	-	20	31,100	Adequate	1964	2016	Two 2-story apartment buildings with covered and uncovered parking.
1214 Elmhurst Ave	-	12	23,606	Deteriorating	1960	2017	2-story apartment building, 8 covered carports behind commercial building fronting Huntington Drive.
928 Huntington Dr	-	14	25,970	Deteriorating			Five single-story duplexes and one single-family unit. Commercial fronting on Huntington
1001 Las Lomas Rd	Roman Gardens	28	41,743	Dilapidated	1963	2018	2-story apartment building with covered carports in the rear.
2004-2012 Mountain Ave	-	6	15,786	Adequate	1949	2005	2-story apartment building, parking in front along Mountain Ave., 2 car garage alongside alley, 4 covered carports in the rear.
1005 Mount Olive Dr	Royal Oaks Apts.	30	43,630	Deteriorating	1962	2016	Two, 2-story apartment buildings, pool and courtyard, 10 uncovered parking spaces.
1015 Mount Olive Dr	Bradbury Townhouse	14	15,877	Deteriorating	1961	1979	2-story apartment building with 2 covered carport structures.
1118 Oak Ave	-	7	7,903	Adequate	1920	1982	Shared driveway, access & parking. Under single ownership. 1118 Oak contains one 2-story building, 4 uncovered parking spaces. 1122 Oak contains a 886 sf single-family home, uncovered parking spaces in front.
1122 Oak Ave	single-family home	1	11,730	Adequate	1940	1976	
1401-1415 Santo Domingo	-	8	44,230	Adequate	1959	1993	8 detached homes with 2 car garages connected by common driveway.
1404 Highland Ave	-	16	30,173	Adequate	1979	2012	2-story apartment building, covered carport and 11 uncovered parking spaces. Includes commercial storefront on Huntington Dr.
1406-1420 Highland Ave	-	10	29,628	Adequate, roof damage	1962	2002	2-story apartment building, parking (some with carports) in the rear.
1817 Second St	-	30	52,034	Adequate	1966	1990	2-story apartment building, center courtyard with pool, with covered and uncovered parking within the interior of the lot.
915 Mount Olive Dr	Martinique	22	31,026	Adequate	1962	2016	2-story apartment building, center courtyard with pool, 2 covered carports in the rear.
929 Mount Olive Dr	-	7	11,320	Adequate	1962	2016	2-story apartment building, five car garage along Mt. Olive Dr., two car garage in the rear.



8. Duarte's **future housing growth needs** are assigned by the Southern California Association of Governments (SCAG) as part of the Regional Housing Allocation (RHNA) process. The RHNA allocates the amount of growth each jurisdiction must plan for in their housing element by providing "adequate sites" through zoning. As presented in Table 7, Duarte was allocated a total RHNA of 337 units for the 2014-2021 Housing Element planning period. During the first four years of the Housing Element (2014-2017), the City issued a total of 47 building permits, including 43 units in the Andres Duarte II development (42 very low and 1 low income unit), three accessory dwelling units (which fall within the level of affordability for moderate income households), and one single-family unit.

As depicted in the last column of the Table, the City has an unmet need for 290 units across all four income levels. Duarte has been pro-active in ensuring adequate sites remain available to address its RHNA needs, including through adoption of the Duarte Station Specific Plan, Town Center Specific Plan and the Third Street rezoning.

Table 7: Regional Housing Needs Allocation Progress

Income Level	RHNA Allocation	Building Permits 2014 - 2017	Remaining RHNA by Income Level
Very Low	87	42	45
Low	53	1	52
Moderate	55	3	52
Above Moderate	142	1	141
Total	337	47	290

Source: City of Duarte 2017 General Plan Annual Housing Report.

SB 35 (Chapter 366, Statutes of 2017) established a requirement for jurisdictions to make progress towards their RHNA goals throughout the Housing Element planning period, or face mandatory streamlining of multi-family development applications that meet specified standards. The Housing and Community Development Department (HCD) is tasked with determining whether jurisdictions are subject to SB 35 streamlining based on the number of building permits issued, by income category, as documented in the jurisdiction's Housing Element Annual Progress Report (APR). A determination is made by HCD for each half of the 8 year RHNA cycle, which for SCAG is divided into the 2014-2017 and 2018-2021 periods.

Based on APR data received as of June 1, 2018, HCD has made a determination that just 14 jurisdictions statewide have meet their prorated RHNA goals. A total of 338 jurisdictions (including Duarte) were determined to have made insufficient progress toward their above moderate income RHNA goals, and are thus subject to SB 35 streamlining for projects with at least 10% lower income units. Approximately one-third of jurisdictions (187) were determined to have insufficient progress toward their lower income RHNA goals, and are subject to streamlining for projects with at least 50% lower income units. With approval of the 161 unit Town Center mixed use project which addresses above moderate income needs, **Duarte will need to focus on its RHNA needs for very low, low and moderate income units for the balance of the planning period.**



9. The cities of Duarte and Irwindale have received a joint planning grant to develop a long term strategy to address homeless issues associated with encampments along the San Gabriel River and in their respective cities. As part of this strategy, the communities have conducted three workshops to discuss the state of homelessness locally and in Los Angeles County, and to gain community input. This process lead to the development of the **Plan to Prevent and Combat Homelessness**, approved by the Duarte City Council on June 26, 2018. The Plan has been submitted to the County, and both Duarte and Irwindale will be participating in a post-planning regional summit with other San Gabriel Valley cities in August. Following the summit, the County CEO will submit a recommendation to the Board of Supervisors regarding funding to support homelessness plan implementation. **Programs to address homelessness are thus being addressed separately from this Housing Strategy.**



III. RESOURCES

The ability of Duarte to effectively address its housing needs will be in large part a function of the City's - and its developer and non-profit partners - access to resources. These include financial resources available to support affordable housing, and land resources for housing and mixed use development. Another important resource is the City's zoning incentives, such as density bonuses and modified development standards which foster the production of affordable housing in the private market.

FINANCIAL RESOURCES

A variety of local, state and federal funds are available to support affordable housing activities in Duarte, described below. An important consideration in the use of these funds, however, is the requirement to pay prevailing wage, estimated to increase the costs of construction anywhere from around 10% to 35%.¹

Successor Agency/Housing Authority Resources

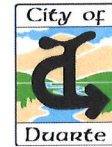
The primary local source of funds for affordable housing in Duarte has traditionally been its Redevelopment Agency's Low- and Moderate-Income Housing Fund. However, due to passage of Assembly Bill (AB) 1X 26, redevelopment agencies across California have been eliminated as of February 1, 2012, removing the primary local tool for creating affordable housing. However, with the passage of AB 1484 in June 2012, the Supplemental Educational Revenue Augmentation Funds (SERAF) borrowed by the State from Redevelopment Agencies Low and Moderate Income Housing Funds are to be repaid, and will be deposited into each Successor Agency's Housing Asset Fund (pursuant to Health and Safety Code Section 34191.4(b)(2)(B) and (C)). The Duarte Successor Agency is projected to receive a cumulative total of **\$3,538,714 in SERAF repayments** through July 2021.

The Duarte Housing Authority was formed in March 2011 and maintains ownership of several former Redevelopment Agency properties intended for future development with housing. In 2017, the Housing Authority entered into an agreement to sell three of these parcels on Huntington Drive for development with a major mixed used project, including 161 market rate apartment units. A total of **\$2,355,600 in net revenue from the property sale** will be deposited in the Housing Authority Fund and be used to support affordable housing in the City.

Housing Trust Fund

In 2005, Duarte adopted an Inclusionary Housing Ordinance which requires 15% of all new or substantially rehabilitated units in ownership projects with four or more units, and multi-family rental projects with 10 or more units to be affordable to low and moderate income households. The City allowed developers the option of paying a fee in lieu of providing the inclusionary units, which is in turn deposited into an Inclusionary Housing Trust Fund.

¹ <http://www.latimes.com/politics/la-pol-sac-construction-workers-housing-20170512-htlstory.html>



Since the program's inception, the City experienced two major impediments to the success of the inclusionary program. First, the 2008-2009 recession significantly impacted housing starts region-wide. And second, the dissolution of redevelopment agencies and elimination of the 20% affordable housing set-aside deprived the Inclusionary Housing Trust Fund from a steady source of funds to leverage collected in-lieu fee revenues. The result has been no produced inclusionary housing units and only limited in-lieu fee deposits since the program's inception. As of May 2018, the **Housing Trust Fund balance was \$508,045.**

The City had concerns that under prevailing housing market conditions, the Inclusionary Housing Program may actually be impeding housing development in Duarte. A survey of adjacent communities (Arcadia, Glendora, Monrovia and Temple City) revealed that none had adopted inclusionary requirements, but instead utilize density bonuses to spur the production of affordable housing. In response to these factors, in June 2016, the City Council adopted a temporary suspension of Duarte's Inclusionary Housing Program for five years. During this time, the City will monitor housing developments and trends in Duarte and surrounding areas and assess whether the program is helping or hindering the production of affordable housing.

Community Development Block Grant (CDBG)

Duarte is a participating City in the Los Angeles Urban County Community Development Block Grant (CDBG) Program. The City receives approximately **\$150,000 in annual CDBG funds** from the County which can be used for housing and community development activities which primarily benefit low and moderate income households. The City is currently utilizing CDBG funds to upgrade curb ramps to meet accessibility standards, and to fund street improvement projects in low and moderate income neighborhoods.

The City had in the past implemented a housing rehabilitation grant program utilizing CDBG funds. However, due to significant decreases in the amount of CDBG funds received, combined with the administrative burden associated with implementing the federally funded program, in 2012 the City ended the program. Discussions with Duarte's CDBG consultant also indicated interest in the program among homeowners had waned.

Table 8 on the following pages identifies a variety of funding programs currently available on a competitive basis to leverage local funding for affordable housing activities including new construction, acquisition/rehabilitation, preservation of at-risk housing and homebuyer assistance, among others. Three funding new programs initiated under the Governor's 2017 housing package are also presented, with Notices of Funding Availability (NOFAs) projected to be issued within the next three to nine months.

**Table 8: Competitive Financial Resources Available for Housing Activities**

Program Name	Description	Eligible Activities
Metro Affordable Transit Connected Housing (MATCH) Program www.matchfundla.com	Loans for 2 types of development projects within 1/2 mile of high frequency transit node: 1. Predevelopment loans for affordable housing (new construction or substantial rehabilitation) providing 100% of units at or below 60% AMI (min. 49 unit project size) 2. Loans for 20+ unit apartments with market rents affordable to low (80% AMI) households with capacity to be redeveloped with at least double the existing units.	▪ New construction ▪ Substantial rehabilitation ▪ Land Purchase ▪ Acquisition of Existing Housing
Low-income Housing Tax Credit (LIHTC) www.treasurer.ca.gov/ctcac	State and Federal tax credits to enable sponsors/developers of low income rental housing to raise project equity through the sale of tax benefits to investors. 4% and 9% credits available, with 4% credits often coupled with tax-exempt bonds. The 2018 changes to Federal tax law may potentially reduce the value of these credits to investors.	▪ New construction ▪ Acquisition/Rehabilitation
Affordable Housing and Sustainable Communities Program (funded through Cap-and-Trade auction proceeds) www.hcd.ca.gov/grants-funding/active-funding/ahsc.shtml	Provides grants and/or loans to projects that achieve Green House Gas reductions and benefit Disadvantaged Communities, Low Income Communities, and/or Low Income Households through increasing accessibility of: ✓ Affordable housing ✓ Employment centers ✓ Key destinations	▪ New construction ▪ Acquisition/Rehabilitation ▪ Preservation of affordable housing at-risk ▪ Conversion of non-residential to rental
Golden State Acquisition Fund (GSAF) www.goldenstate-fund.com	GSAF was seeded with \$23 million from HCD's Affordable Housing Innovation Fund, and combined with matching funds, makes up to five-year loans to developers for acquisition or preservation of affordable housing. Loans are up to \$13.9 million and are made available over the counter.	▪ Preservation ▪ Site acquisition
Predevelopment Loan Program www.hcd.ca.gov/grants-funding/active-funding/pdlp.shtml	Provides predevelopment short term loans to local government agencies and non-profit developers to finance the start of lower income housing projects.	▪ Predevelopment costs to construct, rehabilitate, convert or preserve assisted housing.
Supportive Housing Multi-Family Housing Program (SHMHP) www.hcd.ca.gov/grants-funding/active-funding/shmhp.shtml	Deferred payment loans to local governments, non-profit and for-profit developers for new construction, rehabilitation and preservation of permanent affordable rental housing that contains a min. 35% supportive housing units.	▪ New construction ▪ Rehabilitation ▪ Acquisition/Rehabilitation ▪ Conversion of non-residential to rental ▪ Social services within project

**Table 8: Competitive Financial Resources Available for Housing Activities**

Program Name	Description	Eligible Activities
National Housing Trust Fund Program www.hcd.ca.gov/grants-funding/active-funding/nhtf.shtml	Deferred payment and forgivable loans for non-profit and for-profit developers and local public entities to support development of housing for extremely low income (30% AMI) households.	▪ New Construction
CalHome www.hcd.ca.gov/fa/calhome	Grants to cities and non-profit developers to offer homebuyer assistance to lower income households. Loans to developers for homeownership projects.	<u>Homebuyer assistance:</u> ▪ Downpayment assistance ▪ Rehabilitation ▪ Acquisition/Rehabilitation <u>Developer assistance:</u> ▪ Site acquisition, development, predevelopment and construction period expenses
CalHFA Residential Development Loan Program www.calhfa.ca.gov/multifamily/special/rdlp.pdf	Low interest, short term loans to local governments for affordable infill, owner-occupied housing developments. Links with CalHFA's Downpayment Assistance Program to provide subordinate loans to first-time buyers. Two funding rounds per year.	▪ Site acquisition ▪ Pre-development costs
Infill Infrastructure Grant Program www.hcd.ca.gov/fa/iig/ www.hcd.ca.gov/grants-funding/active-funding/iigp.shtml	Funding of public infrastructure (water, sewer, traffic, parks, site clean-up, etc) that supports higher-density affordable and mixed-income housing in locations designated as infill.	▪ Development of parks and open space ▪ Water, sewer or other utility service improvements ▪ Streets, roads, parking structures, transit linkages, transit shelters ▪ Traffic mitigation features ▪ Sidewalks and streetscape improvements
Housing Related Parks Program www.hcd.ca.gov/hpd/hrpp/	Financial incentives to jurisdictions who construct new units affordable to very low and low income households.	▪ Grants for creation of new parks, or rehabilitation or improvements to existing parks.
New State Programs under Governor's 2017 Housing Package		
SB 2 (Atkins) - Building Jobs & Homes Act http://www.hcd.ca.gov/policy-research/housing-package/cahp-faq.shtml#sb2 NOFA for 1st year funds due Fall 2018, NOFA for 2nd year funds due Spring 2019	An estimated \$200-\$300 million to be generated annually for affordable housing through a real estate transfer tax. First year proceeds to be split evenly between planning grants to local governments to streamline housing production, and HCD's programs that address homelessness. Thereafter, 70% of proceeds allocated to local governments to support affordable housing, homeownership opportunities, and other housing-related programs.	▪ Low income multi-family development, permanent supportive housing, acquisition/rehab of foreclosed or vacant homes, accessibility improvements ▪ Home rental and ownership for middle income families, homeownership opportunities, downpayment assistance

**Table 8: Competitive Financial Resources Available for Housing Activities**

Program Name	Description	Eligible Activities
AB 73 (Chiu) - Housing Sustainability Districts (HSD) http://www.hcd.ca.gov/policy-research/lhp.shtml#milestones <i>Guidelines to be released Spring 2019, with the first NOFA to follow</i>	Provides state financial incentives to cities that create a housing sustainability district (HSD) to complete upfront zoning and environmental review to allow housing development through a ministerial permit. City with HCD-approved sustainability district entitled to receive Zoning Incentive Payment based on the number of new units constructed in the district.	<u>Project Requirements:</u> - Min.20% low/moderate units must be constructed within the district. Individual projects must include min. 10% lower income units. - Payment of prevailing wage or use of a "skilled and trained workforce" for projects with >10 units. - Provision of relocation assistance to any persons displaced as result of development.
SB 540 (Roth) - Workforce Housing Opportunity Zones (WHOF) http://www.hcd.ca.gov/policy-research/lhp.shtml#milestones <i>Guidelines to be released Spring 2019, with the first NOFA to follow</i>	Provides planning funds to cities to create a Workforce Housing Opportunity Zone (WHOF) in areas close to jobs and transit to streamline housing approvals. The WHOF is established through preparation of an EIR and adoption of a specific plan creating the zone.	<u>WHOF Requirements:</u> - Specifies distribution/location of 100-1,500 housing units - Identifies distribution of major components of public and private infrastructure and essential facilities, and identifies source of funds - Identifies uniformly adopted mitigation measures for traffic, water quality, public utility, and natural resource protection - Identifies uniformly applied development policies or standards to apply to all development constructed in WHOF

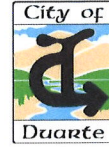
Source: Karen Warner Associates, 2018.

The City of Duarte has essentially been built out for many years, as evidenced by the slow rate of growth over the past several decades. Adoption of the Duarte Station Specific Plan (2013) and Town Center Specific Plan (2016) opened up significant additional land resources for development.

The Duarte Station TOD Specific Plan consists of three parcels totaling 19 acres, each parcel developed with a single industrial warehouse building, as summarized in Table 9. Adoption of the Specific Plan created zoning entitlements and CEQA approvals for up to 475 residential units, a 250 room hotel, 400,000 square feet of office, and 12,000 square feet of supporting retail. Based on increasing housing needs in the region since the Specific Plan was adopted, the City would consider a specific plan amendment to change the mix of residential and office use, increasing the residential cap and reducing the amount of office allowed.

Parcel Identifier	Parcel Gross Acreage	Existing Facilities	General Plan/ Zoning Designation	Specific Plan Land Use Designations & Unit Capacities
8528-011-021 (Parcel 1)	6.6 acres	128,466 sf industrial warehouse	Specific Plan- Gold Line	<u>Mixed Use</u> 12.06 acres 40-70 du/acre 297 units
8528-011-020 (Parcel 2)	9.16 acres	114,599 sf industrial warehouse		<u>High Density Residential</u> 2.55 acres 40-70 du/acre 178 units
8528-011-022 (Parcel 3)	3.32 acres	78,890 sf Industrial warehouse		
Specific Plan Totals	19.08 acres	313,955 sf		475 units

[illegible]



With the opening of the Gold Line Station in 2016, the City has received significant interest in development under the Specific Plan. Parcel #2 is currently on the market for sale, and the City has met with the LA Metropolitan Transportation Authority to determine their interest in participation in development of the 1.4 acres of surface parking under Metro ownership. The City is committed to working with a developer to create a path to development of the site.

While it is anticipated that the proposed Duarte Station Specific Plan project would occur over multiple years based upon market conditions, the City will also entertain overall development of the property at one time. The City's goal for the development of the property would be to either have an affordable component built into the project, or to negotiate an in-lieu fee that would be tied to a specific project at another location in the City to provide affordable units. One benefit of providing a stand-alone, 100% affordable project within the Station Specific Plan is greater access to development funds, including Metro's MATCH program funds, SB 32 Cap & Trade funding, and Low Income Housing Tax Credits, among others.

Town Center Specific Plan

The Duarte Town Center Specific Plan provides a long-term strategy for revitalizing central Duarte and creating a more downtown-like environment by providing incentives for substantial growth of commercial, mixed-use, residential and lodging. The 75-acre Plan Area encompasses parcels on the north and south sides of Huntington Drive between Highland Avenue and Buena Vista Street, extending south to the I-210 freeway along these two streets. The Plan provides for a net increase in over 1,000 medium and high density multi-family and mixed use housing units in locations near transit and services.

In September 2017, the City approved the first major project under the Plan, a mixed use project including 161 apartments and commercial space. In addition to providing various zoning incentives, the City facilitated the project by selling the developer three city-owned lots on Huntington Drive. The project represents the first market-rate apartment development in Duarte in over 20 years, providing much needed housing for the community and hopefully serving as a catalyst to additional development in the Town Center.



Third Street Rezoning

The Third Street rezoning project involved a partnership between the City of Duarte and a private developer in the redevelopment of six City-owned parcels with an 18 unit, owner-occupied townhome project. The 1.65 acre project site included the existing Third Street Park, a building housing the Chamber of Commerce, the City's north yard and office building, and associated parking lots. The City's interest in selling these properties was based on necessary upgrades to the buildings to make them marketable to future uses, along with the prospect of less than compatible uses (e.g. office, commercial or school) were the buildings to be rehabilitated. The project involved the demolition of all existing



buildings and parking areas, removal of the existing Third Street park, and the relocation and complete reconstruction of a new Third Street park at the southwest corner of Oak Avenue and Third Street.

The project required multiple entitlements, including: a General Plan Amendment and Zone Change; subdivision of the 1.65 acre parcel into 18 residential parcels and one common lot to provide shared common open space for the townhome project; a Planned Development Permit to allow customized development standards in exchange for developer-provided enhancements to project architecture, site design and upgraded common areas; and Site Plan and Design Review for the two-story, multi-family development.

The Third Street rezoning provides an excellent example of the City's success in utilizing public-private partnerships to provide quality housing and achieve redevelopment goals.



Publicly-Owned Land

The City and its former Redevelopment Agency have a history of providing land resources in support of housing, and affordable housing in particular. The City provided a land write-down to Southern California Presbyterian Homes to assist in development of Andres Duarte Terrace II, providing 42 units for very low income seniors. Most recently, the City supported the creation of Duarte's first major mixed use project, including 161 apartment units, by selling the developer three city-owned lots on Huntington Drive. Revenue from the property sale is being deposited into Duarte's Housing Authority Fund to be used to support affordable housing in the City.

Table 10 on the following page identifies three publicly-owned parcels in Duarte available for development with affordable and market rate housing.



Table 10: Publicly-Owned Land Resources

Address	Parcel Size	Current General Plan/Zoning	Comments
946,952,962 Huntington Drive	1 acre	C-F Commercial (proposed rezone to R-4)	City owned parcels proposed for assembly with adjacent privately owned parcel for development with 25 townhomes.
2400 Huntington Drive	20,345	Multifamily Medium/ R-3	Housing Authority owned property envisioned to be assembled with developed properties to the east to create larger parcel.
Business Center Drive & Highland Avenue	1.4 acres	Duarte Station Specific Plan	Metro owned land at Gold Line station currently used as surface parking lot.

The former Duarte Redevelopment Agency acquired three vacant parcels on Huntington Drive (946, 952, 962) approximately ten years ago, with the intention of assembling for commercial development. The properties remained vacant, and were subsequently transferred to the Successor Agency for sale to a private developer. In April 2018, the City entered into a purchase agreement with a developer who has acquired the adjacent property at 956 Huntington Drive, providing for a consolidated 1.24 acre site. The developer is proposing to rezone the property to R-4, and construct 25 attached owner-occupied townhomes. The proposed project will consist of three and four bedroom units, providing housing for families.

The Housing Authority currently owns a 20,345 square foot parcel on Huntington Drive that was acquired with the intent of encouraging assembly with properties to the east for a comprehensive development between the Elks Club and Las Brisas homes. If all properties in this area are combined, the developable area would be approximately 1.29 acres in size and would accommodate about 25 units under the current zoning.

LA Metro owns a 1.4 acre parcel at the Gold Line Station currently used for surface parking. This parcel is a candidate for development under Metro's Joint Development program through which Metro collaborates with municipal partners, community members and qualified developers to build transit-oriented developments on Metro-owned properties. In July 2015, Metro updated its Joint Development Program Policies and Process, including the following new policies to encourage development of affordable housing on its properties:

- **35% Portfolio-Wide Goal.** Metro established a goal that 35% of total housing units in the Joint Development portfolio be affordable to households earning 60% of AMI or below
- **Proportional Land Discounting.** Metro may discount Joint Development ground leases below the fair market value to accommodate affordable (60% AMI) units. The discount is based on the development's percentage of affordable units, with a maximum discount of 30%.



OTHER CITY ZONING INCENTIVES AND REGULATIONS

Duarte implements several provisions within its Zoning Code that facilitate the development of affordable housing without direct subsidy.

Density Bonus/Affordable Housing Incentives

Consistent with Government Code Sections 65915 through 65918, the City's Development Code (Chapter 19.64) outlines provisions for density bonuses and incentives for projects which provide for one of the following:

- ✓ 10 percent of the total units for lower income households; or
- ✓ 5 percent of the total units for very low income households; or
- ✓ A senior citizen housing development or mobilehome park that limits residency based on age requirements for housing for older persons; or
- ✓ 10 percent of the total dwelling units in a condominium for moderate income households.

The amount of density bonus varies according to the amount by which the percentage of affordable housing units exceeds the established minimum percentage, but generally ranges from 20-35 percent above the specified General Plan density. In addition to the density bonus, eligible projects may receive 1-3 additional development incentives, depending on the proportion of affordable units and level of income targeting. Duarte also provides an additional discretionary density bonus up to two times the density provided for in the General Plan for projects dedicated to very low and low income seniors.

Numerous amendments have been made to State density bonus law over the last several years, and as a means of avoiding the continual amendment of the Development Code, Duarte has written its regulations in a way to allow the most recent State law to prevail.² The recent changes to density bonus law deal primarily with reduced parking ratios and exemptions (for sites near transit), requirements for replacement housing, adoption of streamlined processing procedures, bonuses for special needs populations, and other changes designed to facilitate the use of density bonus incentives. The City has prepared a Supplemental Density Bonus Application form consistent with current State requirements (included in Appendix B), and has been working with an applicant in defining and evaluating replacement housing requirements necessary to qualify for the requested density bonus.

Given the breadth of changes to density bonus law, along with increased local interest and the City's desire to utilize as a tool to provide affordable housing, it may be appropriate for the City to update its ordinance to fully incorporate current state law.

² Chapter 19.64 (Density Bonus for Affordable Housing) specifies that "where regulations are not specifically addressed in this Chapter or where there are conflicts between these provisions and the provisions of Government Code Sections 65915 through 65918, the provisions of the Government Code, as they may be amended over time, shall apply."



Accessory Dwelling Units

Accessory dwelling units (also known as second units or "granny" flats) are complete independent housing units that can be either detached or attached from an existing single-family residence. Based on their relatively small size, and because they do not require paying for land or major new infrastructure, accessory dwelling units ("ADUs") are considered affordable by design. The State legislature has passed a series of bills aimed at encouraging single-family homeowners to add ADUs to their property by requiring local jurisdictions to adopt regulations to facilitate their production and streamline their approval. ADUs can provide affordable housing options for family members, seniors, students, in-home health care providers, and other small household types. ADUs can also be useful to generate additional rental income for the homeowner, making homeownership more financially feasible.

In January 2017, the City of Duarte updated its accessory dwelling unit regulations (Section 19.60.160 of the Development Code) to provide consistency with the most recent changes made to state law under AB 2299 and SB 1069. Highlight's of Duarte's current ADU regulations include:

- Ministerial processing of ADUs in all residential zone districts
- Parcel must be developed with an existing, single-family dwelling
- Parcel must be a minimum 6,000 square feet, unless ADU is located entirely within an existing structure (such as a garage conversion)
- ADU may be attached to the primary residence, located within the living area of the primary residence, or detached
- Attached and detached ADUs cannot exceed 50% of the total floor area of the primary residence, up to a maximum of 400 square feet. A maximum of one bedroom is permitted.
- One off-street parking space is required, and may be uncovered and provided in tandem with other parking on the parcel. Pursuant to state law, no parking shall be required in the following instances:
 - ✓ ADU is within 1/2 mile of a transit stop (including bus stops)
 - ✓ ADU is part of the existing primary residence or an existing accessory structure, such as a garage
 - ✓ ADU is within an architecturally and historically significant historic district

In the first 18 months since adoption of its new ADU regulations in January 2017, Duarte has received six applications, compared to a total of eight applications in the ten years prior. Many cities across the state are receiving record numbers of applications for ADUs under the new State requirements, including communities with relatively small parcels similar to Duarte. For example, the City of Burbank has received over 150 applications since 2017, with the majority of ADUs on smaller parcels being accommodated through conversion of detached garages to living space.

Inclusionary Zoning

Duarte's Inclusionary Housing Ordinance previously imposed a 15% affordability requirement on new development, with an option to pay an in-lieu fee. As discussed earlier in this report, in June 2016, City



Council adopted a five year suspension of Duarte's Inclusionary Housing Program amid concerns that the program may be impeding development. During the suspension period, the City will monitor housing developments and trends in Duarte and surrounding areas and assess whether the program is helping or hindering the production of affordable housing in the City.

Transitional and Supportive Housing and Emergency Shelters

In 2010, the City adopted a comprehensive update to the Development Code, including provisions for transitional and supportive housing and emergency shelters consistent with SB 2. More specifically, the Duarte Development Code accommodates transitional housing within several zoning districts subject to the same standards as other residential uses based on the project's physical structure: 1) "residential care facilities," defined as shared living quarters which provide 24 hour care for occupants, are conditionally permitted in the R-3, R-4, C-G and C-P zones.; 2) "multi-family residential" is permitted by right in the R-3 and R-4 zone districts. Similarly, permanent supportive housing structured as single-family or multi-family residential are permitted as residential uses subject to the same standards as residential uses of similar physical structure. Emergency shelters have been identified as a permitted use in M, P-F and H zones subject to the same development and management standards as other permitted uses.

IV. FIVE-YEAR HOUSING STRATEGY

The Housing Strategy for Duarte has been developed to respond to the various issues and opportunities presented in the prior chapters of this report, including the City's existing and projected (RHNA) housing needs; financial and land resources; and City zoning and other incentives for housing. The resulting five-year Housing Strategy is comprised of the following components:

1) GUIDING PRINCIPLES FOR HOUSING ASSISTANCE

2) HOUSING ACTIVITIES

The Housing Strategy will serve to provide guidance to staff and the City's decision-makers in the allocation of resources and the implementation of housing programs and projects over the 2018 to 2023 period.



The Huntington Mixed Use



Huntington and Mountain Townhomes



GUIDING PRINCIPLES FOR HOUSING ASSISTANCE

1. Focus on supporting projects that address Duarte's **unmet RHNA needs** for very low, low and moderate income units for the balance of the planning period (2018-2021), or continue to face mandatory streamlining of multi-family projects under SB 35.
2. Prioritize funding assistance for affordable **rental housing near high-quality transit**.
3. **Pursue leverage** of City assistance in new construction and acquisition/rehabilitation projects, emphasizing deeper affordability.
4. Utilize **regulatory tools**, such as density bonuses, fee waivers and flexible development standards, to integrate affordable units within market rate developments.
5. Encourage housing which is "**affordable by design**", such as accessory dwelling units.
6. Preserve **assisted rental housing at-risk of conversion** to market rents by working with property owners, tenants and non-profit purchasers.
7. Emphasize housing activities which **sustain and strengthen neighborhoods**. Stabilize the existing housing stock through:
 - Affordable housing via acquisition/rehabilitation
 - Code enforcement
8. Evaluate establishing a **rental inspection program** to complement neighborhood enhancement activities.



HOUSING ACTIVITIES

To implement the “Guiding Principles for Housing Assistance”, the Housing Strategy sets forth a variety of programs organized around the following topic areas:

- **Affordable New Construction**
- **Preservation of Existing Affordable Housing**
- **Neighborhood Stabilization and Improvement**

The implementing programs and activities proposed within each of these areas are presented in the following section.

AFFORDABLE NEW CONSTRUCTION

1. Affordable Housing Development Assistance

Funding: The City and its Housing Authority will continue to play a key role in facilitating the development of quality affordable housing in the community through both land assembly and write-downs, and through direct financial assistance. While funding available through Duarte's Successor Agency, Housing Authority and Housing Trust Fund is somewhat limited, there are a number of housing assistance programs available (see Table 8) which may serve to directly reduce the amount of City assistance needed, as well as provide for deeper levels of affordability. One option would be to work with a development team that includes a non-profit developer, thereby providing greater access to affordable housing funds, including low income housing tax credits, SB 32 Cap & Trade funding, and METRO's MATCH program funds. The City could also evaluate establishing an EIFD (Enhanced Infrastructure Financing District) to generate tax increment in support of a variety of projects including transit oriented development and supporting infrastructure, among others.

Land: Two publicly-owned parcels in the City have been identified as available for development with affordable housing (see Table 10). The 1.4 acre parcel owned by Metro at the Gold Line Station is a candidate for transit-oriented development under Metro's Joint Development program, and could potentially develop along with a larger scale development as part of the Duarte Station Specific Plan. And the 1/2 acre R-3 parcel owned by the Housing Authority on Huntington Drive could potentially be assembled with properties to the east to create a comprehensive development project. Additional site opportunities may exist through reuse or redevelopment of City-owned properties, as demonstrated in the Third Street rezoning project and proposed townhome project at Huntington & Mountain.

When providing land write downs or direct financial assistance in support of affordable housing, the City should target funds to very low and low income renters to best address its unmet RHNA needs, and in locations near high quality transit to reduce greenhouse gas emissions and increase access to funding. Directing available housing funds for affordable workforce housing at the Gold Line Station, combined with market rate housing to provide a mix of income levels, should be a priority for the City.



2. Density Bonuses/Affordable Housing Incentives

In addition to direct assistance, density bonuses and other regulatory incentives are important tools available to the City to help achieve its affordable housing goals. Andres Duarte Terrace II, Duarte's most recent affordable housing project, received a 100% density bonus, reduced parking and setbacks, and a land write-down to achieve 42 extremely low and very low income units.

As discussed earlier in this Report, the State recently adopted a series of changes to State density bonus law dealing primarily with reduced parking ratios and exemptions (for sites near transit), requirements for replacement housing, adoption of streamlined processing procedures, bonuses for special needs populations, and other changes designed to facilitate the use of density bonuses. Given the extent of these changes and in order to most effectively make use of density bonuses incentives, it is recommended that the City update its ordinance to fully incorporate the most recent updates. The City recently prepared a Supplemental Density Bonus Application to reflect current State requirements and is utilizing with applicants to help navigate the density bonus process (see Appendix B).

In addition to density bonuses, other regulatory incentives the City may offer include permit fee waivers and flexible development standards in exchange for provision of affordable units.

3. Accessory Dwelling Units

Accessory dwelling units (ADUs) represent a "low impact" way to expand the supply of affordable units in the community. ADUs produce what is referred to as "hidden density" because they are subordinate to the primary residence and usually out of view. They provide housing for family members, students, elderly, in-home health care providers, the disabled and others, at below market rental rates within existing neighborhoods. Homeowners who create residential accessory dwelling units benefit from added income and an increased sense of security.

With such a large portion of the housing stock consisting of single-family homes, Duarte has significant additional capacity to accommodate ADUs on lots with underutilized square footage or through conversion of existing space. A rent survey of similar sized units in Duarte indicates that market rents for ADUs would likely fall within the level of affordability for moderate and possible even low income households.

The City of Duarte amended its ADU regulations in January 2017 to comply with requirements under AB 2299 and SB 1069. The revisions addressed State Law and established a maximum unit size of 400 square feet, and 700 square feet on properties 15,000 square feet or larger. The intent of the size limitations was to encourage smaller units to promote greater affordability. The City will monitor this program for its use and affordability to determine the effectiveness of the new regulations.



4. Inclusionary Zoning

Inclusionary housing policies offer a tool to provide mixed income housing within a single residential development, or generate in-lieu fees in support of affordable housing at an off-site location. However, in a soft residential market, a city's inclusionary requirements may impact the financial feasibility of development.

When the City suspended its 15% inclusionary requirement for five years in June 2016, Duarte hadn't seen any market rate multi-family development in over 20 years. Since that time, the City has approved a 161 unit mixed use project, an 18 unit townhome project, received applications for a 25 unit townhome project and 22 unit apartment project, and experienced significant development interest within the Duarte Station Specific Plan. As the City's residential market has certainly improved since 2016, the City may want to consider evaluating re-establishment of its inclusionary program prior to the five year suspension ending in 2021. Any inclusionary units produced during the 2018-2021 planning period would contribute towards the City's RHNA goals and progress towards SB 35 streamlining requirements.

PRESERVATION OF EXISTING AFFORDABLE HOUSING

5. Preservation of Affordable Housing with Expiring Use Restrictions

As presented in the Housing Needs chapter of this report, of the six publicly-assisted, rent restricted housing complexes in Duarte, one has been identified at high risk of losing its affordable status and converting to market-rate housing. Duarte Park Apartments is a 100 unit very low income senior project built in 1992 using HUD Section 236 funds, with affordability entirely tied to the Section 8 Housing Assistance Plan (HAP) contract subject to renewal in 2022.

AB 1521 (Bloom), passed as part of the Governor's 2017 Housing Package, increases the noticing and reporting requirements on owners of at-risk properties. Specifically:

- Notice requirements. *Increases the required notice of "expiring use restrictions" from 1 to 3 years prior to the expiration date of restrictions. Notice must be given to prospective tenants, current tenants, and "affected local entities" if the rental restrictions are set to expire after January 1, 2021. "Affected local entities" are the local city, any local housing authority, and HCD.*
- HCD Monitoring and Annual Report Requirements. *Owners of assisted affordable developments where 25% or more of units are subject to affordability restrictions will need to report annually on forms to be provided by HCD.*

The owner's first annual report on Duarte Park Apartments will be due to HCD in April 2019 at which time the City may request a copy of the report as a means of monitoring the owner's intentions. In addition, at least one year prior to the 2022 Section 8 renewal date, the City should contact the property owner directly, and as necessary, consider providing City funds to extend affordability controls. Table 8 in this report identifies two sources of funds (Golden State Acquisition Fund, Affordable Housing & Sustainable Communities Program funds) available to help finance preservation of at-risk housing. As an



additional resource, the California Housing Partnership Corporation (<https://chpc.net/>) offers training to local governments on best practices to preserve at-risk housing.

6. Monitoring Procedures for Restricted Housing Units

Duarte's portfolio of rent-restricted housing currently consists of six projects totaling 456 low income units, including four projects assisted through HUD (Section 236 and Section 202 loans), and two projects through State and Federal Low Income Tax Credits. Each of these projects is subject to a compliance monitoring program to: a) ensure continued affordability and rent restrictions; b) verify tenant income eligibility; and c) verify compliance with HUD Uniform Physical Condition Standards (UPCS).

As Duarte's affordable housing portfolio grows to include locally funded projects and projects restricted based on local incentives (such as density bonuses), monitoring of these projects will become the City's responsibility. Given the administrative burden associated with monitoring and the expertise required, combined with Duarte's small staff size, the City should consider "outsourcing" some or all of the monitoring and program administration. There are many organizations experienced in compliance monitoring of affordable housing. The City will want to consider the following as it evaluates outsourcing: the availability of internal resources for monitoring, which functions of each program (and monitoring) does the City want to control more closely; and the experience, resources, and services offered by organizations.

It is possible for the City to charge a monitoring fee based on staff costs, though few cities have done so. Cities have expressed concerns about creating a potential barrier to the development of affordable housing, and about collecting monitoring fees from property owners on an annual basis.

NEIGHBORHOOD STABILIZATION AND IMPROVEMENT

7. Multi-family Housing Acquisition and Rehabilitation

As part of the housing needs research conducted for this report, City staff conducted an exterior housing conditions survey of Duarte's older multi-family properties (generally 50+ years old), and rated each property as either: a) adequate, b) deteriorating, or c) dilapidated. Of the seventeen properties surveyed, five were identified as deteriorating, with one property identified as dilapidated, representing a total of 109 units in significant need of repair and potentially good candidates for rehabilitation (refer to photo exhibit in Appendix A).

The acquisition and rehabilitation of aging and/or deteriorating apartment complexes is a key program in many cities' affordable housing strategies. Under such a program, the city acquires or assists in the acquisition of a problem apartment complex and then works with a non-profit development partner to coordinate the rehabilitation, maintenance, and management of the property as long term affordable housing. Acquisition/rehabilitation projects are eligible for a variety of public funds (see Table 8), and can be structured to qualify for RHNA credit in the Housing Element.



8. Apartment Inspection Program

Of Duarte's approximately 2,000 rental housing units, 90% are greater than 30 years old, the age in which units typically begin to have substantive rehabilitation needs, such as new plumbing, roof repairs, foundation work, etc. And given that six of the seventeen multi-family properties surveyed evidenced deterioration based on exterior evaluation alone, based on the age of this housing, it is likely interior evaluation would like reveal additional deficiencies.

As a means of monitoring and maintaining rental housing conditions, the City may want to consider initiating a multi-family residential inspection program. As an example, Pasadena has operated its Rental Inspection Program for over 30 years, originally developed with the cooperation of the Foothill Apartment Owner's Association and the Pasadena Board of Realtors. All rental properties containing three or more units are subject to the City's Program, and are inspected once every four years. After inspection, property owners are notified of any existing code violations and given a reasonable time for their correction. Upon correction of all violations, a Certificate of Occupancy is issued for the rental properties.

9. Code Enforcement and Abatement

Duarte's Code Enforcement program remains an important tool to eliminating unsafe conditions and improving the quality of life within the community. The City's program is both pro-active, in that inspectors canvas the City to identify substandard housing and neighborhood conditions, and re-active in its response to complaints of violations from neighboring property owners. Code Enforcement staff work with property owners, landlords, and tenants to correct violations in a timely manner with an emphasis on voluntary compliance.



V. GLOSSARY OF HOUSING TERMS

“ADU” means Accessory Dwelling Unit which is a complete independent housing unit that can either be detached or attached from a single-family residence.

“Affordable Ownership Housing Cost” means the total housing costs (including mortgage, utilities, taxes, insurance, HOA fees) which shall not exceed a specified fraction of gross income (generally 35%) as specified in California Health and Safety Code Section 50052.5.

“Affordable Purchase Price” means the purchase price for a housing unit that is calculated so that the total monthly housing cost does not exceed the affordable ownership cost.

“Affordable Rent” means the total housing costs, including a reasonable utility allowance, which shall not exceed 30% of the household’s gross income.

“Affordable Unit” means a dwelling unit within a residential development which will be reserved for sale or rent to, and is made available at an affordable Rent or affordable Ownership Cost to very low, low, or moderate-income households.

“AMI” means Area (County) Median Income.

“CDBG” means Community Development Block Grant. Awarded to the City by Los Angeles County on a formula basis for housing and community development activities for activities primarily benefiting lower income (<80% AMI) households. Duarte receives approximately \$150,000 annually in CDBG funds.

“Density Bonus” means the granting of a density increase above the maximum residential density specified in the General Plan, along with 1 - 3 additional incentives, in exchange for provision of affordable units consistent with the parameters specified in State density bonus law (Government Code Section 65915).

“HCD” means the California Department of Housing and Community Development. Provides a variety of loan and grant programs for housing, and maintains responsibility for review of jurisdictions housing elements for statutory compliance.

“High-Quality Transit” means housing within a half-mile of either a rail line or two bus lines with peak hours service every 15 minutes or less (*LA Metro definition*).

“HOME” means a flexible federal HUD grant program awarded to the City on a formula basis for housing activities benefiting lower income households. Duarte has access to HOME funds on a competitive basis through the Los Angeles Community Development Commission.

“Household Income Levels: Very Low, Low and Moderate” means households whose gross incomes do not exceed the qualifying very low, low and moderate income limits established in Section



6932 of the California Code of Regulations, and amended annually based on the U.S. Department of Housing and Urban Development (HUD) estimate of area median income (AMI) in the Los Angeles-Long Beach Primary Metropolitan Statistical Area, and as adjusted by the State Department of Housing and Community Development (HCD) . Pursuant to Code Sections 6926, 6928 and 6930, these income limits are equivalent to the following:

Very low income household: 50% of area median income (AMI), adjusted for household size appropriate for the unit and other factors determined by HUD

Low income household: 80% of AMI, adjusted for household size appropriate for the unit and other factors determined by HUD

Moderate income households: 120% of AMI adjusted for household size appropriate for the unit and other factors determined by HUD

For purposes of establishing income thresholds, “household size appropriate for the unit” is set by HUD as one person more than the number of bedrooms in the unit.

“Household Overcrowding” as defined by HUD and SCAG, means an average of more than one person per room in a housing unit (excluding kitchens, porches, and hallways). Severe overcrowding is defined as greater than 1.5 persons per room.

“Inclusionary Unit” means a dwelling unit offered for rent or sale to very low, low or moderate income households at an affordable rent or affordable ownership housing cost in an otherwise market rate development.

“Renter Overpayment” as defined by HUD and SCAG, means spending greater than 30% of household income on total housing costs, including rent, utilities and other incidental costs. Severe overpayment is defined as spending greater than 50% of income on housing costs.

“SCAG” means the Southern California Association of Governments, the regional planning agency. Among SCAG’s many responsibilities are preparation of the Regional Housing Needs Assessment (RHNA) to document jurisdictions existing and projected housing needs.

“SERAF” means Supplemental Educational Revenue Augmentation Funds borrowed by the State from Redevelopment Agencies and now required to be repaid and deposited into each Successor Agency's Housing Asset Fund.

“Total Housing Costs” means the total monthly or annual recurring expenses required of a household to obtain shelter. For a rental unit, total housing costs include the monthly rent payment, utilities and any parking costs. For an ownership unit, total housing costs include the mortgage payment (principal and interest), utilities, homeowner’s association dues, taxes mortgage insurance and any other related assessments.

APPENDIX A

MULTI-FAMILY HOUSING CONDITIONS SURVEY

1014 Buena Vista St. [Tiki Atoll]



914 Buena Vista St. [Vista Verde]



914 Buena Vista St. [Vista Verde]



2000-2006 Buena Vista St.



2000-2006 Buena Vista St.



2014 Buena Vista St.



1214 Elmhurst Ave.



1214 Elmhurst Ave.



1214 Elmhurst Ave.



APPENDIX B

DUARTE DENSITY BONUS APPLICATION



Community Development Department
1600 Huntington Drive
Duarte, CA 91010
(626) 357-7931

SUPPLEMENTAL APPLICATION FOR DENSITY BONUS

The following supplemental application is required for all housing permit applications requesting a residential density bonus pursuant to California Government Code 65915 et seq. A density bonus application will be processed at the same time as any other applications required for the project.

PROPERTY INFORMATION

Applicant Name: _____

Property Address: _____

Assessor Parcel Number(s): _____

RELATED APPLICATIONS

Preliminary Project Application and/or Environmental Evaluation Applications No(s): _____

Related Entitlement Applications No(s): _____

PROJECT DESCRIPTION

Please list out the proposed number of units for the following:

Number of units in base project: _____

Number of affordable units for Very Low Income Households (up to 50% AMI): _____

Number of affordable units for Low Income Households (51% - 80% AMI): _____

Number of affordable units for Moderate Income Households (81% - 120% AMI): _____

Length of affordability restrictions: _____

Proposed number of bonus units: _____
(Refer to density bonus calculator on next page)

Total number of units in proposed project: _____

Residential Tenure: _____
(Owner vs. Renter)

DENSITY BONUS CALCULATOR

Please calculate the density bonus the project is seeking:

BONUS CALCULATOR

Affordability Level or Housing Type	Minimum Set-Aside of Affordable, Senior, or Specialized Units	Density Bonus		
		Base Bonus Granted	Each Additional 1% of Affordable Units Adds:	Total Maximum Density Bonus
Very Low Income	5%	20%	2.5%	35%
Low Income	10%	20%	1.5%	35%
Moderate Income (Common Interest Development Only)	10%	5%	1.0%	35%
Land Donation (very low income projects only)	10%	15%	1.0%	35%
Condominium/Apartment Conversions	33% low-to-moderate income	25%	No Sliding Scale Available	25%
	15% lower income			
Senior Citizen Housing Development ¹	100% ¹ (35 units minimum)	20%	No Sliding Scale Available	20%
Specialized Housing: transitional, foster youth, disabled veterans or homeless ²	10%	20% of restricted units	No Sliding Scale Available	20%

Notes:

¹ A senior citizen housing development is not required to be affordable in order to receive a density bonus. However, 100% of the units in the development (35 units minimum) must be restricted as senior housing.

² Due to the required very low income restriction, specialized units may also be counted towards the standard density bonus for providing very low income units.

DENSITY BONUS PROJECT EXAMPLE

Base Project Total Units: 66 rental units

Affordable Units: 8 low income units (12.1% of base project, rounded up to 13%)

Market Rate Units: 58 units

Eligible Density Bonus: $20\% + 4.5\% = 24.5\%$ (project is providing 13% low income units, 3% over min. required. Bonus $\uparrow$ by 1.5% (above 20%) for every 1% above min., rounded up)

Density Bonus Units: 66 base units x 24.5% bonus = 16.2 units, rounded up to **17 units**

Total Project Units with Bonus: **83 units** (58 market rate, 8 low income, 17 bonus units)

Project is also eligible for one concession or incentive (refer to table on next page)

CONCESSIONS/INCENTIVES CALCULATOR

Please calculate the number of concessions or incentives for which the project is eligible:

CONCESSIONS/INCENTIVES CALCULATOR

Target Unit	Percent of Target Units in Project		
Very Low Income	5%	10%	15%
Low Income	10%	20%	30%
Moderate Income	10%	20%	30%
Concessions Based on Percentage of Units Provided Above:			
# Concessions	1	2	3
Condominium Conversions	1 concession/incentive or prescribed density bonus at City's option		
Day Care Center	1 concession/incentive or prescribed density bonus at City's option		

CONCESSIONS AND INCENTIVES

Please list the concessions and incentives (up to 3) the project is seeking, and describe how each requested concession or incentive would result in cost reductions for the project.

WAIVERS

Please list the waivers the project is seeking, and describe how each requested waiver would allow the project to accommodate any additional permitted density.

HOUSING REPLACEMENT REQUIREMENTS

In order to receive a building permit for a density bonus project that involves the demolition or conversion of rental units and/or construction on vacant land where rental units were demolished and/or converted within five years, an owner must comply with the housing replacement provisions of Government Code section 65915, as amended by Assembly Bills 2222 and 2556. These provisions require replacement of any rental units that are either existing at the time of application, or have been vacated or demolished in the five year period preceding the application, which meet any of the following criteria:

1. subject to a recorded covenant, ordinance, or law that restricts rent to levels affordable to persons and families of low or very low income;
2. subject to any other form of rent or price control; or
3. occupied by low or very low income households.

The replacement units must be at least the equivalent size of units being removed (same number of bedrooms), and must be made available at affordable rent/cost to households in the same income category.

Please provide the following information to determine the proposed project's replacement housing requirements:

EXISTING AFFORDABLE UNIT(S) TO BE DEMOLISHED/CONVERTED ON PROJECT SITE

Affordability Level	Number of Units						
	Total	Ownership Units			Rental Units		
		Criteria 1	Criteria 2	Criteria 3	Criteria 1	Criteria 2	Criteria 3
Very Low Income							
Low Income							
Moderate Income							

If there are units indicated in the highlighted cells in the Table above, the project is required to comply the replacement housing requirements under Government Code section 65915. It is the responsibility of the owner/applicant to obtain all necessary documentary evidence (e.g. employer pay stubs of tenants, IRS forms, rent rolls, rent receipts, etc) verifying the existing property's affordability status and submit them to the City along with this Supplemental Density Bonus Application for review. In the absence of sufficient documentation, it shall be presumed that the building is occupied by the same proportion of lower income rent households to all renter households in the city as a whole, as documented by the latest federal Comprehensive Housing Affordability Database (CHAS).

APPLICANT'S AFFIDAVIT

The undersigned is the owner or authorized agent of the owner of this property. The information presented is true and correct to the best of my knowledge. Other information or applications may be required.

Signature

Date

Name (Printed)

Relationship to Project
(i.e. Owner, Architect, etc)

Phone

Email